ERA Economics Research Associates

Affiliated with Drivers Jonas

Analysis of the

ECONOMIC IMPACTS OF A PROPOSED NEW ARENA

Prepared for the

Oakland-Alameda County Coliseum Complex

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ERA Project No. 10787

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EXECUTIVE SUMMARY

Analysis of the Economic Impacts of a Proposed New Arena

Economics Research Associates (ERA) has been retained by the Oakland-Alameda County Coliseum Complex to analyze the economic impacts of constructing a new arena of approximately 21,000 seats within the Coliseum Complex. Significant changes are occurring in the Bay Area market. For example, a major new arena has just opened in San Jose. The long-term Golden State Warriors lease has expired and is being extended in short-term, three-year increments, and this NBA franchise is looking for a larger venue than the existing arena in Oakland (with its basketball seating capacity of 15,025).

To anchor the new facility, the Warriors would sign a 30 year contract to stay in Oakland. The owners of the NBA franchise, the Golden State Warriors Limited Partnership, would form a New Arena Limited Partnership for the purpose of financing, building, owning and operating a new arena with approximately 21,000 seats (including about 100 luxury suites) on the site of the existing arena. The new arena would be created through demolition and reconstruction, and is projected to cost approximately $100 to $120 million (excluding land and parking).

MARKET RESPONSE TO A NEW ARENA IN OAKLAND

The net impact of the proposed new arena is the difference between two scenarios.

- Under the "No Build" Scenario, the fundamental assumption is that a decision is made not to build a new arena anywhere in Alameda County. Note, however, that the No Build Scenario does not mean the status quo will be maintained. The NBA franchise will be lost.

- Under the "Build" Scenario, it is assumed that the decision is made to build the new arena. It is assumed that the project could be fast tracked so that the new facility would be open in the fall of 1996, and that Oakland would again become the largest indoor venue in the Bay Area.

Revenue projection models were developed by ERA to provide inputs to the analysis of community economic impacts and to assess the impact of each Scenario on the Coliseum Complex operations.

ASSESSMENT OF COMMUNITY ECONOMIC IMPACTS

Economic impacts are broader than just the flows of money through the Coliseum Complex and the proposed new arena. Economic activity at the Coliseum also benefits the entire community through creation of jobs, additional personal income, and local government revenues. For this analysis, the community of interest is defined as the County of Alameda.

The net community economic benefits to be gained from building a major new arena in the Coliseum Complex are estimated by the difference between the Build and No Build scenarios. The economic effects may be summarized as the following net increases:

One-Time Economic Benefits During Construction

- $142 million in increased county gross output;
- $67 million in additional personal income for county residents; and
- 2,800 full-time equivalent construction jobs.

Ongoing Economic Benefits of New Arena Operations

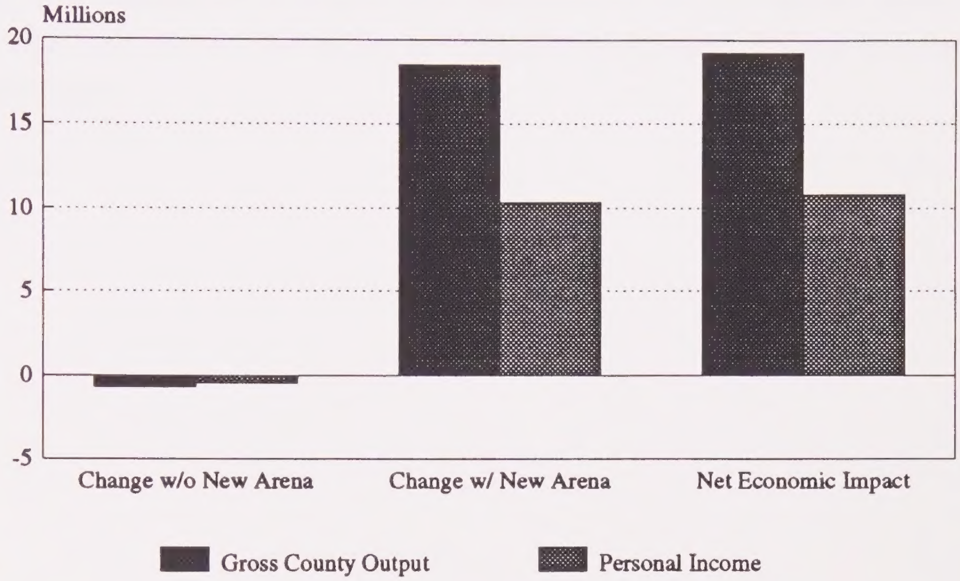
- $19 million per year in increased county gross output;
- $11 million per year in additional personal income for county residents; and
- 331 full-time equivalent jobs on a permanent basis.

The incremental economic effects of building, or not building, a new arena are summarized graphically in Summary Figure 1, along with the net effects described above.

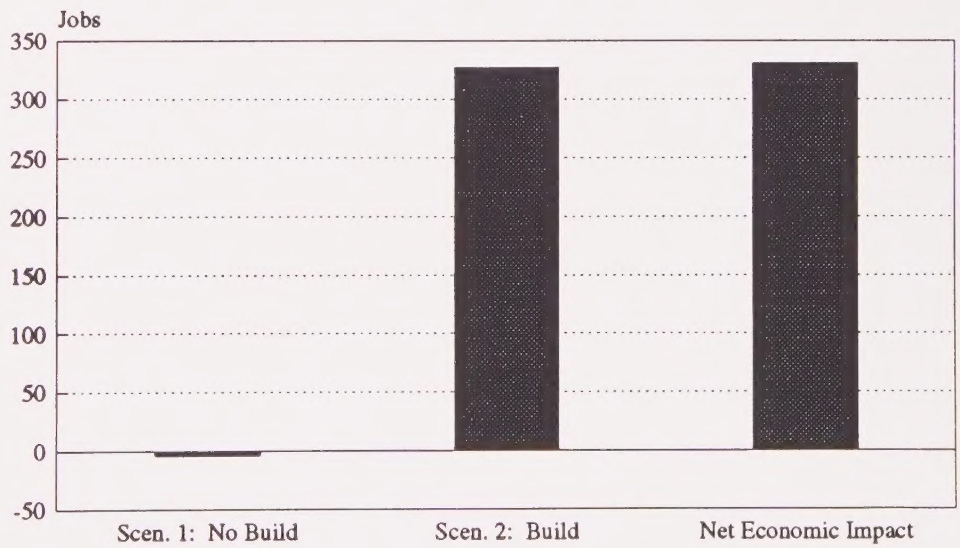
In addition to the dollar impacts which may be quantified with relative ease, there are also more qualitative impacts of the arena development decision. ERA's market research clearly indicates that without a new arena, Alameda County will lose its NBA franchise, and would be unlikely to attract another one. The availability of major entertainment and professional sports enhances the quality of life for the residents of

Summary Figure 1

Summary of Ongoing Economic Impacts
Change in County Output &Personal Income



Summary of Ongoing Economic Impacts
Permanent Job Creation in the County



Alameda County and the City of Oakland in ways which are hard to quantify in the economic calculus, but these benefits of building a new arena are nonetheless real. In addition, surveys of businesses have shown repeatedly that quality of life concerns are important in making business location decisions. While the economic effect is difficult to quantify, it is reasonable to expect that the presence of professional sports and major entertainment will enhance the ability of Oakland and Alameda County to attract and retain major employers.

TABLE OF CONTENTS

Section I
INTRODUCTION

The operating economics for professional sports have been changing nationwide. Professional teams continue to seek greater revenues derived from playing in venues with larger audience capacities offering a greater range of seating options and concession services. In the National Basketball Association (NBA), teams have been seeking new or expanded arenas with luxury suites and diverse concession spaces. In leases negotiated recently, teams have assumed greater responsibility for the marketing of luxury boxes and advertising opportunities in return for a greater share of the revenues derived from these amenities.

Significant changes are also occurring in the Bay Area market. A major new arena of almost 20,000 seats for concerts and 17,500 for ice hockey has just opened in San Jose. The long-term Golden State Warriors lease has expired and is being extended in short-term, three-year increments, and this NBA franchise is looking for a larger venue than the existing arena in Oakland (with its basketball seating capacity of 15,025).

In order to keep the Warriors in Oakland, construction of a new arena of approximately 21,000 seats is proposed to be developed in the Oakland-Alameda County Coliseum Complex (Coliseum). Economics Research Associates (ERA) has been retained by the Coliseum to conduct an analysis of the economic impacts of the proposed new arena.

PROPOSED NEW ARENA DEVELOPMENT AND OPERATING PLAN

To anchor the new facility, the Warriors have indicated a willingness to sign a 30 year contract to stay in Oakland-Alameda County. The owners of the NBA franchise, the Golden State Warriors Limited Partnership, would form a New Arena Limited Partnership for the purpose of financing, building, owning and operating a new 21,000 seat arena to be located on Coliseum property on the site of the existing arena. The facility would be designed to include state of the art features as well as about 100 luxury suites. The new arena would be created through demolition and reconstruction on the same site. The cost is expected to be approximately $100 to $120 million (excluding land and parking). It is important that the new arena be open in November of 1996.

STRUCTURE OF THE ANALYSIS (AND DEFINITION OF SCENARIOS)

Although the analyses of market responses, revenues generated and resulting economic impacts are complicated, the overall structure of this study is simple and straightforward. The net impact of the proposed new arena is the difference between two scenarios.

Scenario 1: Under the "No Build" Scenario, the fundamental assumption is that a decision is made not to build a new arena anywhere in Alameda County. Note, however, that the No Build Scenario does not mean the status quo will be maintained. Changing market conditions beyond the control of the Coliseum Complex will mean the mix of events captured by the existing Oakland-Alameda County Arena will change.

Scenario 2: Under the "Build" Scenario, it is assumed that the decision is made to build the new arena. It is assumed that the project could be fast tracked so that the new facility would be open in the fall of 1996.

STRUCTURE OF THE REPORT

Section II of this report analyzes recent changes in the market for Bay Area arena events, and forecasts the level of business which can most reasonably be expected to occur under each Scenario. ERA has then estimated the flow of revenues derived from these mixes of business as they flow through the new arena to the existing Coliseum Complex in Section III. In Section IV, the economic flows are further projected through a regional economic modeling process to estimate the difference in economic impact on the broadly defined Oakland-Alameda County community from building, or not building, the proposed new arena.

The analysis was conducted under the supervision of Steven E. Spickard, Vice President in ERA's San Francisco office. Eleanor V. Tiglao, Senior Associate, conducted the economic impact modeling and Steven R. Spillette, Associate, provided market research and analysis. ERA thanks the staffs of the Coliseum Complex and the Golden State Warriors who responsively and professionally aided in ERA's research.

Section II
MARKET RESPONSE TO A NEW ARENA IN OAKLAND

BAY AREA MARKET OVERVIEW

Population

As shown in Table II-1, the Bay Area experienced relatively rapid population growth in the 1980s. The greatest concentration of growth occurred in the counties with open land on the outer fringes of the region, such as Sonoma and Solano counties. These counties are expected to continue to grow more rapidly than other Bay Area counties. The total Bay Area population, six million people in 1990, will increase by another million in the next ten years.

The Bay Area therefore represents a very large market area for an NBA franchise and other arena events. The South Bay market deserves special note: the Santa Clara County population alone is 1.5 million, with over 500,000 additional residents close by in Santa Cruz County and in southern San Mateo and Alameda counties. The Sacramento metropolitan area, which easily supports an NBA team and receives most major concert tours and family shows, has a total population of about 1.5 million by comparison. This comparison indicates that, in terms of population standards, the Bay Area market could potentially be subdivided with the South Bay becoming a separate market capable of support on NBA franchise and a major arena.

Bay Area Arenas and Other Major Venues

Figure II-1 presents ten athletic/performance venues seating over 7,000 which have been identified as even remotely competitive with the Oakland Coliseum complex. It should be noted that several Bay Area colleges and universities have enclosed arenas not shown on the list, but it is rare that they compete for the same events that the listed facilities do. Stanford University's Frost Amphitheater does hold concerts, but only those put on by university or student groups, and majoring touring acts generally do not use it as a venue. On extremely rare occasions, very large concerts have been held in University of California - Berkeley Memorial or Stanford Stadiums but they are not expected to hold any more and are not considered competitive venues in this study. The most competitive

Table II-1

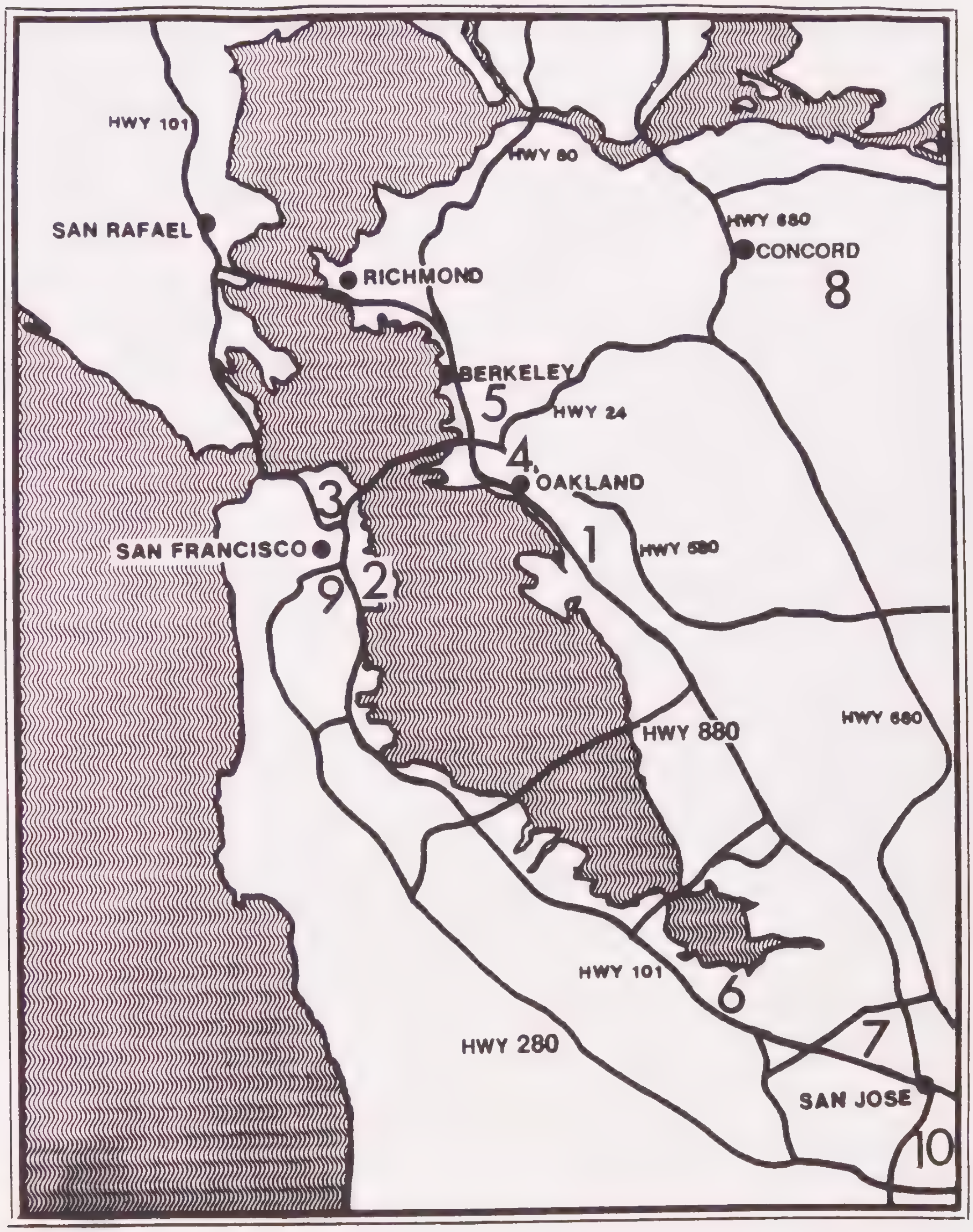
REGIONAL POPULATION AND PROJECTIONS, 1980-2010
Nine-County Bay Area

County	Historical 1980	Historical 1990	Projected 1995	Projected 2000	Projected 2005	Projected 2010	Average Annual Growth Rate 1980 - 1990	Average Annual Growth Rate 1995 - 2005
Alameda	1,105,379	1,279,182	1,347,000	1,426,200	1,508,300	1,557,200	1.5%	1.1%
Contra Costa	656,380	803,732	885,500	970,700	1,037,400	1,095,300	2.0%	1.6%
Marin	222,568	230,096	242,900	254,150	262,750	270,050	0.3%	0.8%
Napa	99,199	110,765	117,200	125,550	134,050	143,650	1.1%	1.4%
San Francisco	678,974	723,959	737,400	766,100	770,700	778,900	0.6%	0.4%
San Mateo	587,329	649,623	682,550	717,250	732,100	739,150	1.0%	0.7%
Santa Clara	1,295,073	1,497,577	1,588,750	1,700,050	1,763,350	1,835,400	1.5%	1.0%
Solano	235,203	340,421	405,100	480,500	524,000	551,100	3.8%	2.6%
Sonoma	299,684	388,222	426,800	465,750	501,100	537,700	2.6%	1.6%
Bay Area Region	5,179,789	6,023,577	6,433,200	6,906,250	7,233,750	7,508,450	1.5%	1.2%

Source: The Association of Bay Area Governments, *Projections 92* and *Projections 92: Recession Update December 1992.*

Figure II-1

BAY AREA ATHLETIC/PERFORMANCE FACILITIES



EXISTING	
1	Oakland Coliseum
2	Candlestick Park
3	Bill Graham Auditorium
4	Henry J. Kaiser Center
5	Greek Theater
6	Shoreline Amphitheater
7	Redwood Amphitheater
8	Concord Pavilion
9	Cow Palace
10	San Jose Arena

facilities have not been distributed evenly over the Bay Area. The opening of the San Jose Arena this month creates a more even distribution.

Table II-2 gives a brief description of each facility. As far as the listed facilities go, the only Bay Area buildings which are comparable physically to the Oakland Arena are the Cow Palace, although it is decades older, and the brand new San Jose Arena.

Of the facilities shown, only five, including the Oakland Arena, the San Jose Arena, and the Cow Palace, are fully enclosed. The others, particularly the amphitheaters, generally limit their seasons between April and October, with occasional events in March and November. This means that available venues are much fewer in the winter. This dearth of facilities is compounded by the playing schedule of the Warriors which runs from November to April, not counting playoff games. Until now, a wintertime non-stadium-sized event scheduled the night of a Warriors game has had the choice of only Bill Graham (San Francisco) Civic Auditorium, the Kaiser Center, and the Cow Palace.

The San Jose Arena presents a new option for Bay Area events, when it is not occupied by its anchor tenant, the new Bay Area National Hockey League team, the San Jose Sharks. The site of the Arena is on the southeast side of downtown San Jose a few blocks from the Caltrain depot. The Arena is designed for a typical capacity of just under 20,000 seats for entertainment events, and will allow for seating of 17,500 for hockey games. The facility has onsite parking for 1,800 cars. Seating includes 64 luxury boxes (with up to 24 seats in each).

THE NBA MARKET

The National Market

The National Basketball Association, the largest and most popular of the professional basketball organizations, currently has 27 members, each of which plays 41 home games during the regular season. Since 1988, the league has added four teams: first the Miami Heat and Charlotte Hornets for the 1988-89 season and the Minnesota Timberwolves and Orlando Magic for the 1989-90 season. Officials of the NBA organization have stated to ERA that while they will eventually consider another expansion,

Table II-2
BAY AREA PERFORMANCE/ATHLETIC VENUES
7,000 Capacity Minimum

Name and Location	Year Built (Renovated)	Seating Capacity Total	Seating Capacity Fixed	Parking Spaces	Physical Characteristics	Typical Events
Candlestick Park San Francisco	1960	61,700	54,700	15,000	Open-air stadium	Professional sports (baseball, football), large public events (rare), private car shows
Bill Graham Auditorium San Francisco	1915 (1988)	7,000			Enclosed auditorium	Conventions/meetings, trade shows, concerts (rare)
Concord Pavilion Concord	1975	8,000	3,500	3,500	Outdoor amphitheater Stage and reserved seats covered; lawn open	Popular concerts and music festivals
Cow Palace Daly City	1935	14,500	10,500	4,000	Enclosed arena	
Frost Ampitheater Stanford University	1930s	7,000		N.A.	Outdoor ampitheater Lawn only	Private concerts only
Greek Theater U.C. Berkeley	1903 (1957)	8,500		6,000 (campus-wide)	Totally outdoor Summer only	Concerts, drama productions
Henry J. Kaiser Center Oakland	1914 (1984)	7,900		3,000 (within 2-3 blocks)		
Oakland Coliseum Arena Oakland	1966	15,895	11,500	9,600 (shared w/ Stadium)	Enclosed arena	Professional sports (basketball, wrestling), family shows, popular concerts, other events
Oakland Coliseum Stadium /1 Oakland	1966	60,000	50,000	9,600 (shared w/ Arena)	Open-air stadium.	Professional sports (baseball, football), large popular concerts (rare)

Table II-2 (continued)
BAY AREA PERFORMANCE/ATHLETIC VENUES
7,000 Capacity Minimum

Name and Location	Year Built (Renovated)	Seating Capacity Total	Seating Capacity Fixed	Parking Spaces	Physical Characteristics	Typical Events
Redwood Ampitheater Great America Santa Clara	1986	10,000		66 acres	Outdoor Summer only	Popular concerts
San Jose Arena San Jose	1993	20,000	17,500	1,800	Enclosed arena; includes 64 luxury suites and full restaurant	Ice hockey, other sports, family shows, popular concerts, other events
Shoreline Ampitheater Mountain View	1986	20,000	7,000		Outdoor amphitheatre Stage and reserved seats covered; lawn open	Popular concerts

1) Seating given is total concert and total baseball.

Source: Economics Research Associates.

the league is still absorbing the new teams and does not expect to add any more within at least the next five years. The number of games played and the length of the season are expected to remain stable for the foreseeable future as well.

Table II-3 shows attendance trends for the previous seven seasons for NBA teams. Overall per-game attendance increased a remarkable 30.5% over those seven seasons, with some fluctuations by individual teams attributable to variations in their won-loss records. Part of the reason for the increase has been the completion of new larger arenas such as those in Detroit and Charlotte. The new expansion franchises, all of which have new arenas, have all shown attendance figures at or even far above average. Discrepancies from paid attendance seemingly exceeding seating capacity of the arenas for some teams can be attributed to standing-room-only ticket sales.

Only two major metropolitan areas, New York-New Jersey and Los Angeles, have two NBA teams. It is worth noting that the teams with poorer records in each of those cities, the New Jersey Nets and the Los Angeles Clippers, had the poorest per-game attendance of all NBA teams during the 1989-1990 season. This contrasts greatly with the expansion or relocated teams such as the Charlotte Hornets and Sacramento Kings, which have much smaller market area populations than the Nets and Clippers even when the New York City and Los Angeles markets are divided in half. It is apparent from this contrast that population is definitely not the sole factor in high NBA attendance.

The current and future NBA game capacities of the teams' playing arenas is shown in Table II-4. The Golden State Warriors now have the third smallest playing arena and in 1995 will have the smallest. It should be noted that winning teams playing in smaller arenas such as the Portland Trailblazers, Boston Celtics, and Phoenix Suns are averaging near-capacity attendance for their games. In fact, the Trailblazers have recorded every game since 1977 as a sellout.

The trend toward larger playing arenas can be seen in Figure II-2. The Chicago Bulls' and Boston Celtics' Arenas were not included because their 1920s completion dates make them far older than any of the other arenas. The scattergram shows three groups of arenas: one consisting of arenas built before 1970, generally with capacities under 16,000; one consisting of those built between 1970 and the early 1980s which tended to be between 16,000 and 20,000 capacity; and those built in the late 1980s with widely varying capacities, from 15,000 to 24,000. A regression line inserted in the graph shows

Table II-3
NBA ATTENDANCE TRENDS
1985-86 to 1991-92 seasons

Team	Current Arena Capacity	Average per-game paid attendance /1 1991-92	1990-91	1989-90	1988-89	1987-88	1986-87	1985-86	% change 1985-1992
Atlanta Hawks	16,371	11,215	11,279	13,083	14,931	13,057	12,257	7,729	45.1%
Boston Celtics	14,890	14,773	14,816	15,061	15,113	15,052	15,062	14,982	-1.4%
Charlotte Hornets	23,901	22,421	22,615	22,901	21,916	0	0	0	N.A.
Chicago Bulls	17,339	17,252	17,196	16,940	16,183	16,486	14,387	9,467	82.2%
Cleveland Cavaliers	20,273	12,610	12,731	14,765	15,891	10,265	9,313	8,448	49.3%
Dallas Mavericks	17,007	15,447	15,216	15,472	15,650	15,669	15,784	15,935	-3.1%
Denver Nuggets	17,022	8,953	8,929	10,140	11,263	10,844	10,162	11,220	-20.2%
Detroit Pistons	21,454	18,532	18,841	18,953	18,629	24,800	16,685	12,881	43.9%
Golden State Warriors	**14,886** /2	**13,621**	**13,548**	**13,734**	**12,482**	**9,957**	**9,425**	**8,440**	**61.4%**
Houston Rockets	16,279	13,098	13,133	14,363	15,422	15,528	15,165	13,386	-2.2%
Indiana Pacers	16,912	9,770	10,062	11,477	9,895	11,117	11,434	9,573	2.1%
Los Angeles Clippers	15,350	10,762	10,110	8,895	8,529	5,257	5,038	8,259	30.3%
Los Angeles Lakers	17,505	15,518	15,388	15,854	15,660	15,535	14,924	14,875	4.3%
Miami Heat	15,008	14,177	14,693	14,813	14,634	0	0	0	N.A.
Milwaukee Bucks	18,633	13,864	14,665	14,659	16,027	10,539	10,470	10,118	37.0%
Minnesota Timberwolves	18,500	17,185	17,133	22,847	0	0	0	0	N.A.
New Jersey Nets	20,039	8,596	7,879	8,621	9,358	8,505	9,465	10,010	-14.1%
New York Knicks	19,006	15,264	14,826	16,976	16,858	13,409	12,293	13,662	11.7%
Orlando Magic	15,077	13,820	13,825	14,048	0	0	0	0	N.A.
Philadelphia 76ers	18,168	13,482	13,202	10,588	10,961	10,612	12,252	10,556	27.7%
Phoenix Suns	19,027	13,533	13,503	12,936	10,903	9,446	10,027	9,757	38.7%
Portland Trailblazers	12,884	12,546	12,068	11,831	11,819	11,704	11,722	11,859	5.8%
Sacramento Kings	17,014	15,870	15,604	15,646	15,230	10,199	10,193	10,080	57.4%
San Antonio Spurs	15,908	13,861	13,849	12,552	8,522	7,157	6,594	6,819	103.3%
Seattle Supersonics	14,250	11,786	11,342	11,453	12,041	11,111	7,716	6,997	68.4%
Utah Jazz	19,911	12,050	11,442	11,530	11,169	10,235	10,053	9,560	26.0%
Washington Bullets	18,756	11,130	10,341	9,765	7,179	8,825	10,053	7,738	43.8%
NBA Average		13,746	13,638	14,072	13,451	11,970	11,325	10,537	30.5%

1) "Paid attendance" is lower than total attendance due to use of complimentary tickets in many cases, and in some cases higher than theoretical capacity due to use of "standing room only" tickets.
2) Number of seats (out of 15,025) actually utilized by the Warriors.

Source: National Basketball Association.

Table II-4
NBA ARENAS BY ORDER OF CAPACITY
Current and 1996

Current

City/Team	Arena Capacity	Year Built
Charlotte/Hornets	23,901	1988
Detroit/Pistons	21,454	1988
Cleveland/Cavaliers	20,273	1974
New Jersey/Nets	20,039	1981
New York/Knicks	19,763	1991
Utah/Jazz	19,111	1992
Phoenix/Suns	19,027	1992
Washington/Bullets	18,756	1973
Milwaukee/Bucks	18,633	1988
Minneapolis/Timberwolves	18,500	1990
Philadelphia/76ers	18,168	1967
Los Angeles/Lakers	17,505	1967
Chicago/Bulls	17,339	1929
Denver/Nuggets	17,022	1975
Sacramento/Kings	17,014	1988
Dallas/Mavericks	17,007	1980
Indianapolis/Pacers	16,912	1974
Atlanta/Hawks	16,371	1972
Houston/Rockets	16,279	1975
San Antonio/Spurs	15,908	1968
Los Angeles/Clippers	15,350	1959
Orlando/Magic	15,077	1989
Miami/Heat	15,008	1988
Boston/Celtics	14,890	1928
Oakland/Warriors	**14,886**	**1966**
Seattle/Supersonics	14,250	1962
Portland/Trailblazers	12,884	1960

1996

City/Team	Arena Capacity	Year Built
San Antonio/Spurs	32,000	1993
Charlotte/Hornets	23,901	1988
Chicago/Bulls	21,500	1994
Detroit/Pistons	21,454	1988
Cleveland/Cavaliers	21,000	1994
New Jersey/Nets	20,039	1981
Portland/Trailblazers	20,000	1995
Philadelphia/76ers	19,800	1995
New York/Knicks	19,763	1991
Utah/Jazz	19,111	1992
Phoenix/Suns	19,027	1992
Minneapolis/Timberwolves	19,006	1990
Washington/Bullets	18,756	1973
Milwaukee/Bucks	18,633	1988
Boston/Celtics	18,600	1993
Los Angeles/Lakers	17,505	1967
Seattle/Supersonics	17,500	1993
Denver/Nuggets	17,022	1975
Sacramento/Kings	17,014	1988
Dallas/Mavericks	17,007	1980
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Atlanta/Hawks	16,371	1972
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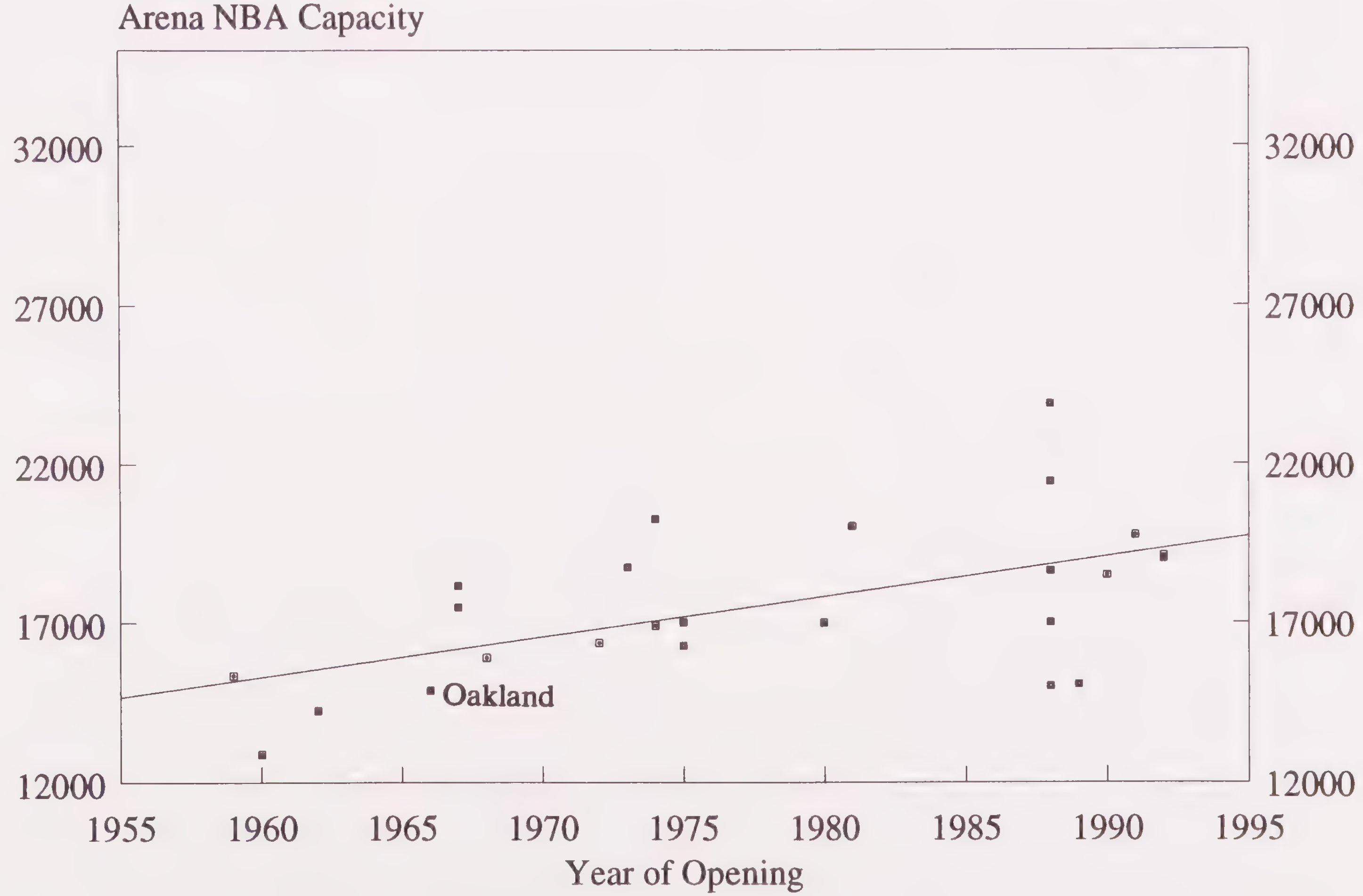
Los Angeles/Clippers	15,350	1959
Orlando/Magic	15,077	1989
Miami/Heat	15,008	1988
Oakland/Warriors	**14,886**	**1966**

Source: NBA and Economics Research Associates.

Figure II-2

1993 NBA Arenas: Age vs. Capacity

Arenas Built After 1955



Source: NBA.

that the two arenas built in the late 1980s with capacities under 16,000 are definitely the exceptions to the general trend toward facilities of at least 18,000 capacity. Figure II-3 plots arenas by size in the projected 1996 market.

The Bay Area Market

The Bay Area is served by only one NBA team, the Golden State Warriors. The Warriors play 41 home games in the Oakland Arena every year, not including playoff appearances. A summary of the Warriors' records and attendance figures in the 1980s is shown in Table II-5. During the last three seasons, the team recorded sellouts for every home game, although in the mid-1980s the Warriors averaged under 10,000 paid per-game attendance. The dramatic upturn after 1986-1987 indicates that won-loss record is a very important factor influencing season-by-season average attendance; however, the league-wide attendance figure increases over time show the generally rising public popularity of NBA competition.

THE CONCERT MARKET

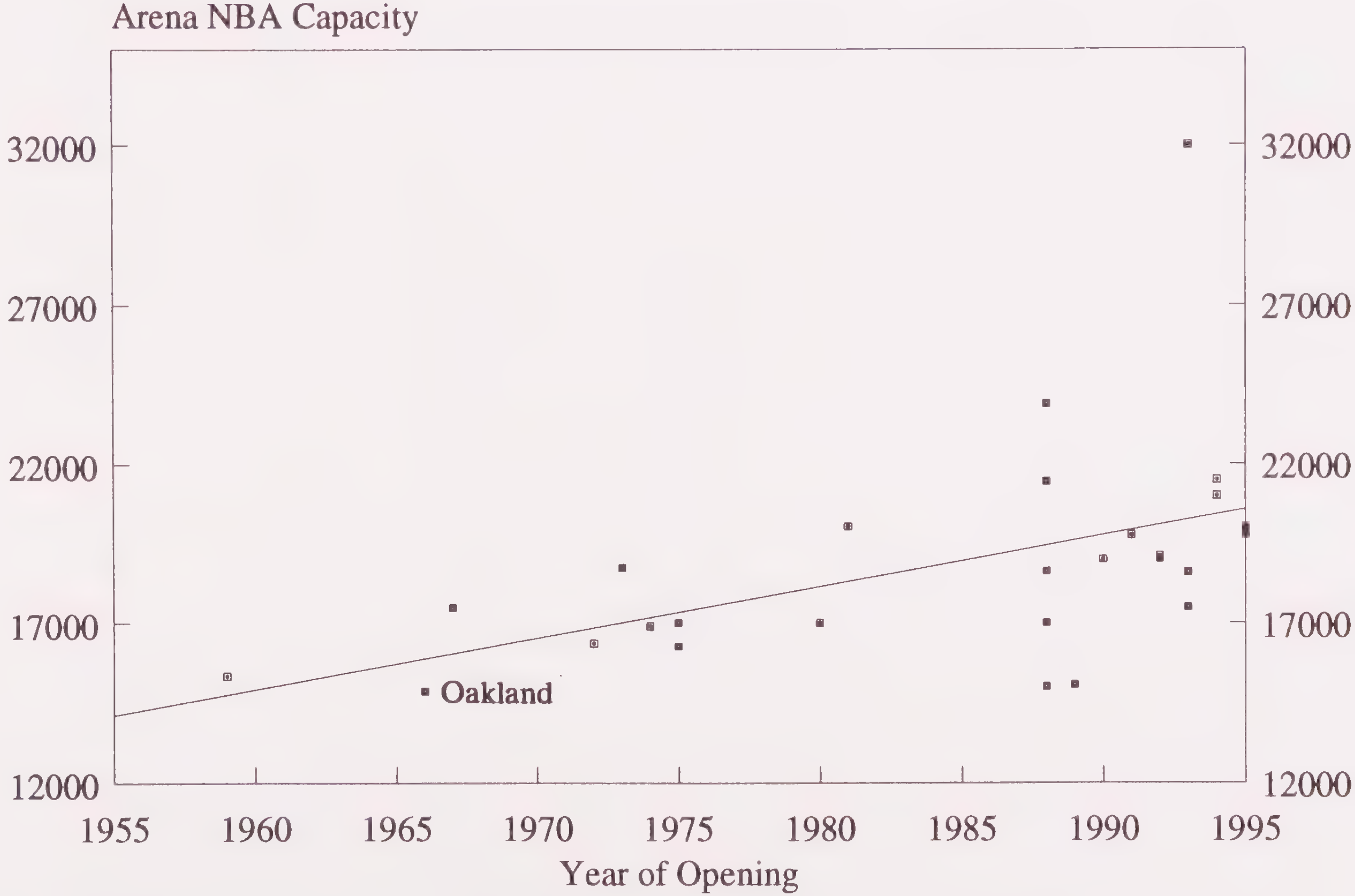
The national concert market is subject to unique forces which are independent of other economic and demographic growth trends. The principal factor in determining the number of arena-sized concerts is simply how many acts have decided to tour at any one time. For example, the national concert grosses as reported in Amusement Business posted a 25% increase in the first six months of 1990 over the first six months of 1989, mainly because more performing acts decided to tour at that time.

Given the Bay Area's ample current supply of concert venues, which increased again with the new San Jose Arena, the region's concert activity and attendance are dependent upon overall touring activity as described above. Although there are often conflicting demands for dates in the most desirable facilities, there is not a serious supply constraint in the number of venues. Bill Graham Presents has for many years been the major promoter of popular concerts in the Bay Area, and the addition of new venues is not likely to change this situation. Other non-Bay Area promoters have stated to ERA that even if another organization entered the Bay Area concert promotion market, the overall number of Bay Area arena-sized concerts probably would not change.

Figure II-3

1996 NBA Arenas: Age vs. Capacity

Arenas Built After 1955



Source: NBA.

Table II-5
GOLDEN STATE WARRIORS ATTENDANCE TRENDS
1980 - 1992

		Regular Season			Playoffs		
Season	Won-Loss Record	# Home Games	Season Total	Average Per Game	# Home Games	Playoffs Total	Average Per Game
1980-81	39-43	41	413,480	10,084			
1981-82	45-37	41	401,646	9,796			
1982-83	30-52	41	341,243	8,323			
1983-84	37-45	41	337,817	8,239			
1984-85	22-60	41	300,580	7,331			
1985-86	30-52	41	401,279	9,787			
1986-87	42-40	41	423,997	10,341	4	60,100	15,025
1987-88	20-62	41	465,348	11,350			
1988-89	43-39	41	587,820	14,337	3	45,075	15,025
1989-90	37-45	41	616,025	15,025			
1990-91	44-38	41	616,025	15,025	4	60,100	15,025
1991-92	55-27	41	616,025	15,025	2	30,100	15,025

Source: Golden State Warriors.

Given equal availability of facilities, selection of a concert venue by a promoter depends almost entirely on the possible profit to be generated. Thus, arenas and amphitheaters allowing greater attendance will almost always have an advantage over smaller sites when very popular acts go on tour. In the Bay Area, because Bill Graham Presents owns and operates the Shoreline amphitheater, that facility also receives preference in summertime (April - October) site selection.

Amphitheaters in general have created a recent trend in the concert industry. The 1980s saw a boom in outdoor performance facility construction, and the success of these venues has led to the concentration of concert tours in the summertime. One result of this has actually been greater competition for attendance in the summertime as concert goers must pick and choose events with rising ticket prices. In the wintertime, the fewer number of touring acts has created greater assurance of success for those concerts which are held.

FAMILY SHOWS

Family shows represent the largest number of events held in the Oakland Arena. The family show market exhibits very different characteristics from the professional sports and concert markets:

- Their market appeal is generally limited to families with young children, and the relatively low ticket prices reflect these families' economic situation.

- The shows are unique in that they generally come to each location once per year and stay for a period of several days or more, meaning that they require a large block of reserved days which can be planned far ahead of time.

- According to many family show promoters, because they usually do not come close to selling out large venues such as the Oakland Arena, the size of the facility in terms of seating is not important. The main considerations in site selection are past levels of family show success at the facility and the show's relationship with the facility management. Due

to the extensive sets carried by the shows, however, the shows require certain technical capabilities (ice surfaces, air conditioning, heavy rigging capabilities) to perform at a facility. Other considerations for venue selection include transportation accessibility and the public's image of the facility.

The Bay Area receives essentially all of the major touring family shows; in fact, several shows reported to ERA that their Oakland Arena shows in particular are among their most successful nationally. All major shows in the Bay Area do shows in the Oakland Arena, with some appearing at San Francisco (Bill Graham) Civic Auditorium or the Cow Palace as well. However, the Civic Auditorium and Cow Palace appear to be less successful venues for family shows. For example, the Ice Capades used to play both the Oakland Arena and San Francisco Civic Auditorium but have decided for now to play only Oakland because San Francisco was not nearly as successful. Sesame Street Live reports that their Oakland show is very successful, with rising attendance every year except 1989 when their show conflicted with the Warriors' playoff schedule; this contrasts with their recently added Cow Palace shows which have not had as good a draw - the attendance at the 1990 Cow Palace shows was less than those in 1989.

RECENT EVENT CAPTURE AT THE OAKLAND COLISEUM ARENA

Events

The number of events held over the past several years at the Oakland Arena has been relatively stable. Table II-6 indicates that the greatest fluctuation occurred in the "Other Events" category, which had 28 events at the Arena in 1985-86 only 11 in 1989-90, and 32 in 1991-92. The number of Warriors games remained fairly constant, the variations due to inexact correspondences with the Coliseum's fiscal year as well as occasional preseason and playoff appearances. Family shows, constituting the greatest number of events held at the Arena, were the most stable in number, every year having between 47 and 53 events. These shows generally play the Arena every year for the same length of time, so stability in events should be expected. The overall stability in the number of events is well demonstrated by Figures II-4A and II-4B; no dramatic trends are readily apparent. Starting this year, there are seven home dates for a new sport, roller hockey.

Table II-6
OAKLAND COLISEUM ARENA EVENT TRENDS
Fiscal Years 1985-86 to 1991-92

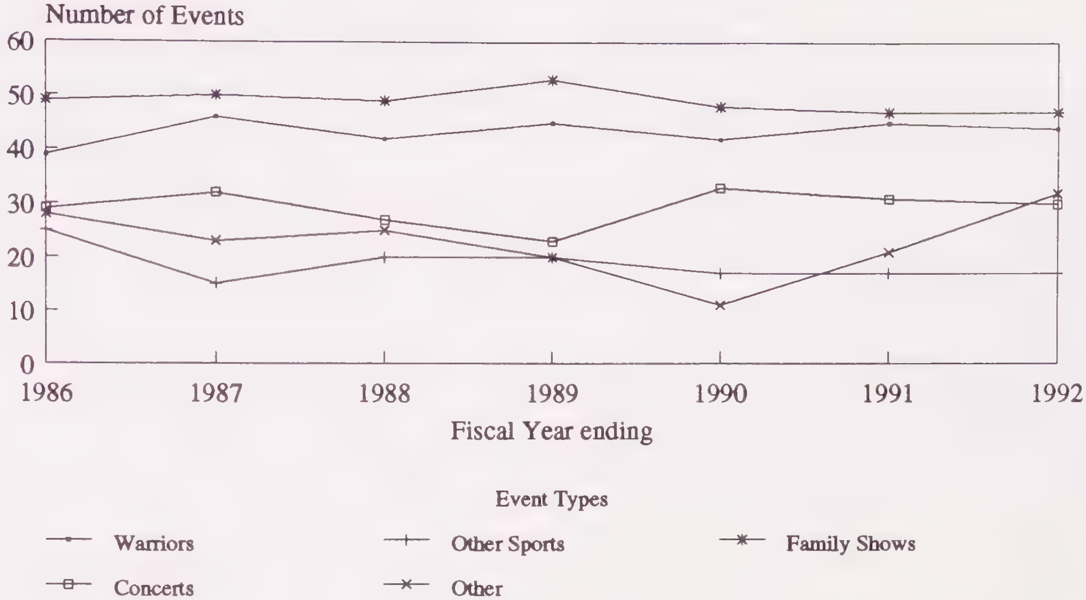
	Number of Events						
Type of Event	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Warriors /1	39	46	42	45	42	45	44
Other Sports Events	25	15	20	20	17	17	17
Family Shows	49	50	49	53	48	47	47
Concerts	29	32	27	23	33	31	30
Other Events	28	23	25	20	11	21	32
TOTAL	170	166	163	161	151	161	170

1) Apparent departures from the normal number of 41 home games occur because the NBA season and Coliseum fiscal years do not exactly correspond, as well as preseason and playoff games.

Source: Oakland-Alameda County Coliseum.

Figure II-4A

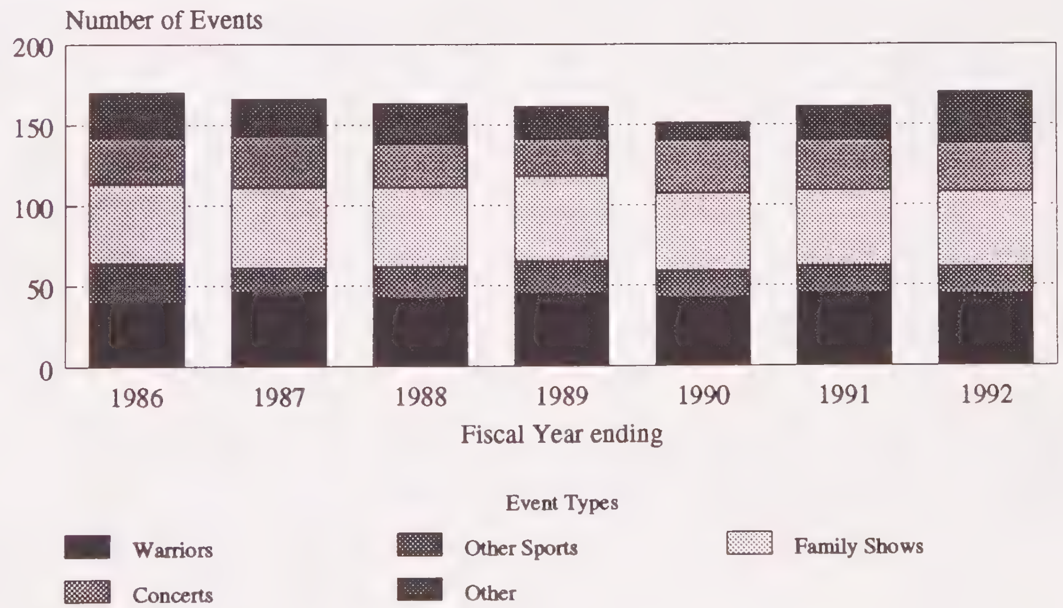
Oakland Coliseum Arena
Event Trends



Source: Oakland-Alameda County Coliseum

Figure II-4B

Oakland Coliseum Arena
Event Trends



Source: Oakland-Alameda County Coliseum

Attendance

As indicated in Table II-7, about 325,000 more people attended events at the Oakland Arena in 1991-92 than in 1985-86. Much of this increase was due to Warriors attendance, which rose nearly 275,000 from 1985-86, with some fluctuations, mainly from playoff game attendance. Concert attendance showed considerable fluctuation, ranging from a low of under 300,000 in 1988-89 to a high of nearly 430,000 in 1989-90. Despite the variations in the number of "Other Events" over the five years, attendance at those events showed little absolute fluctuation, showing that this category has low per-event attendance. Once again, the relative stability of attendance can be seen graphically by looking at Figures II-5A and II-5B. The one noticeable trend is the increase in the Warriors' crowds while other types of events fluctuated without clear pattern.

MARKET PROJECTIONS: TWO SCENARIOS

Assumptions and Reasoning

Though information about the physical design for a new arena is limited, ERA has assumed that the building would have approximately 21,000 seats at total capacity, including as many as 100 luxury suites. The 1998 event mixes were then determined using the following assumptions and reasoning about the future events market:

Professional Basketball

This analysis assumes that if the new Oakland arena is not built, the Golden State Warriors will leave Oakland. The Warriors could conceivably even leave the Bay Area. The Bay Area, at six million population, is a very attractive market, however, and would not lack an NBA team for long. But once the Warriors have left Oakland, this analysis further assumes Oakland will not obtain another NBA team until a new arena is built. This assumption was determined by looking at:

- Trends in NBA arenas - most recently built arenas have been at least 18,000 seats, some considerably more than that. An NBA team would

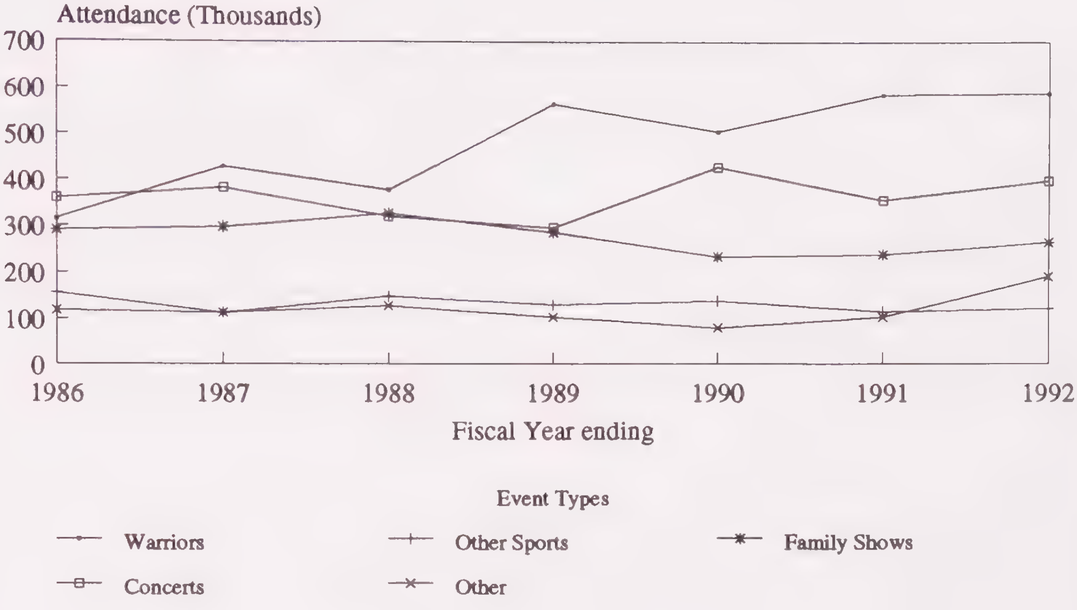
Table II-7
OAKLAND COLISEUM ARENA ATTENDANCE TRENDS
Fiscal Years 1985-86 to 1991-92

	Total Turnstile Attendance						
Type of Event	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Warriors	315,218	428,695	378,059	564,824	505,250	585,516	588,291
Other Sports Events	155,466	112,615	148,428	130,404	138,102	115,330	122,362
Family Shows	290,519	297,277	327,060	285,799	233,269	238,369	265,256
Concerts	359,743	382,467	320,770	295,710	428,318	356,110	398,269
Other Events	117,814	113,128	127,668	103,001	79,287	103,299	191,553
TOTAL	1,238,760	1,334,182	1,301,985	1,379,738	1,384,226	1,398,624	1,565,731

Source: Oakland-Alameda County Coliseum.

Figure II-5A

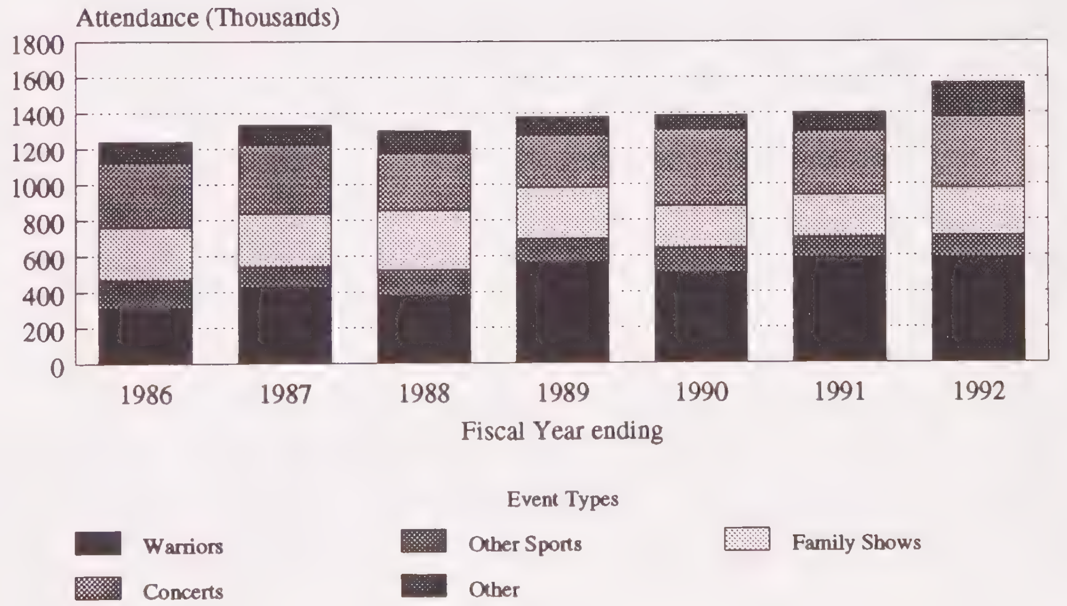
Oakland Coliseum Arena
Attendance Trends



Source: Oakland-Alameda County Coliseum

Figure II-5B

Oakland Coliseum Arena
Attendance Trends



Source: Oakland-Alameda County Coliseum

look for larger arenas, hence larger revenues, before looking at the relatively small Oakland Arena.

- NBA official policy - the Oakland Arena does not satisfy the NBA's criteria for design features of the four recently added teams' arenas. These criteria are a "minimum standard" for NBA evaluation of possible arenas, and additional considerations such as seating, parking, luxury suites, and concession facilities are included as well. The Oakland Arena, now about 25 years old, does have good parking and accessibility, but it has no luxury suites and relatively small and inflexible concession operations as compared to new facilities such as the Palace at Auburn Hills, home of the Detroit Pistons.

- The San Jose Arena - the new arena is now open and it is a high-quality facility by today's standards. The higher capacity, the presence of luxury suites, and already large-and-growing South Bay population make this facility much more attractive financially than the Oakland Arena, and an NBA team relocating to the Bay Area would come to San Jose first. There is also the possibility that another city, more central to the Bay Area than San Jose, could offer to build a new arena to capture an NBA team.

Concerts

Through extensive interviews with those responsible for booking and promoting entertainment events in the Bay Area, ERA determined certain priorities for the location of future major concerts. First priority is the ownership of the facility. For example, Shoreline amphitheater is owned and operated by Bill Graham Presents (BGP). The majority of major concerts coming to the Bay Area from the months of April to October will be directed to that organization's facilities first given the continuing dominance of BGP in the Bay Area concert promotion market and national trends towards summer outdoor concert tours.

The next determining factor during the "indoor" concert season (and when dates are not available at the Shoreline Amphitheater) will be the availability of the largest possible facility. If Oakland does not build a new arena, the San Jose Arena will be the largest concert venue, and most large concerts will initially prefer the San Jose venue. Of

course, San Jose may have occasional conflicts with NHL games or other events, in which case the Oakland Arena would be next in line, as it is larger and more modern than the Cow Palace. It is also possible that major touring acts may find that they can sell out both arenas on the same tour, playing a couple of nights each in Oakland and San Jose. However, if Oakland does build by 1996, its facility will be larger than San Jose's, and it will be the most desirable indoor concert venue (not only due to size, but also due to its central location to a larger population, better transportation access, and availability of parking).

Other Events

ERA interviews with promoters of other events such as family shows have indicated a strong liking for the current Oakland Arena. Most shows appear to have an excellent relationship with the Coliseum management and their Oakland runs are often among the most successful in the country. Some shows play the Cow Palace or San Francisco Civic Auditorium as well, but the interviews suggest that Oakland is considered a much more desirable venue than the other two locations. Several promoters stated that the new San Jose Arena would be an attractive facility and most would consider holding events there, but Oakland has traditionally been so strong that even without a new facility at the Coliseum the events will continue to play Oakland whether or not they play San Jose as well. This is not surprising considering that most family shows do not come close to selling out large arenas and facility size is not important. ERA has determined, therefore, that these types of events will continue to play Oakland with similar frequencies to the present.

Scenarios for a Stabilized Operating Year

Projections of event mix and attendance for a stable year of operations (most likely to first occur in 1998) were calculated under two scenarios: Scenario 1, the "No Build" case, and Scenario 2, the "Build" case.

> ***Scenario 1 - No Build*** Oakland does not build a new arena; the existing facility is in use in 1998. With the new San Jose Arena having been completed in 1993, the Oakland Arena is no longer the largest enclosed arena in the Bay Area. The Warriors have left the Oakland Arena for another arena, and the Oakland Coliseum has been unable to attract a replacement NBA franchise.

Scenario 2 - Build The Coliseum has built an approximately 21,000-seat arena with luxury boxes by the end of 1996 on the site of the old arena. The new facility is larger than the new San Jose Arena, which opened in 1993. The Warriors remain in Oakland.

Projected Event Mixes and Attendance

Table II-8 summarizes the current (1991-92) and 1998 event mixes and attendance as projected by ERA. Figures II-6A and II-6B graphically illustrate the projections for each scenario.

Scenario 1 Under Scenario 1, the Arena (the existing facility) will hold 141 events, an estimated 29 fewer events total than it did in 1991-92. Much of the decrease is attributable to the disappearance of the Warriors games from the mix. The number of concerts is projected to remain approximately the same, but the average size will diminish somewhat as some of the larger concerts split their dates with San Jose, or play San Jose exclusively. Family shows, having had successful Oakland runs in the past, continue to hold events there, so their event count changes very little.

The change in attendance, from 1,565,731 in 1991-92 to 991,600 in 1998, is even more dramatic than the change in events. The loss of the Warriors and the slight reduction in average concert size in particular cause a 37% drop in total attendance from the 1991-92 figure. The attendance for family shows and other events increases but not enough to make up for the losses suffered.

Scenario 2 In a new, larger arena, the Coliseum will capture an estimated 4 more events in 1998 than in 1991-92, for a total of 174 events. The Warriors of course will remain nearly constant in number of games assuming one or two non-regular-season games. The arena, being larger and better located than San Jose's, will draw the majority of the major indoor concerts, though because concerts have more venues to choose from (including San Jose and the outdoor venues), the total number of concerts will be the same (30) as under Scenario 1. As in Scenario 1, the number of family shows and other events stays relatively constant when compared to 1991-92 figures.

Table II-8
SUMMARY OF EVENT MIXES AND ATTENDANCE
Existing and Projected

Number of Events

Type of Event	Existing Arena FY 1991-92	Scenario 1 "No Build" Existing Arena 1998	Scenario 2 "Build" New Arena 1998
NBA - Warriors	44	0	44
Other Sports	17	29	39
Family Shows	47	53	46
Concerts	30	30	30
Other Events	32	29	15
Total	170	141	174

Turnstile Attendance

Type of Event	Existing Arena FY 1991-92	Scenario 1 "No Build" Existing Arena 1998	Scenario 2 "Build" New Arena 1998
NBA - Warriors	588,291	0	699,400
Other Sports	122,362	172,200	280,500
Family Shows	265,256	270,200	285,200
Concerts	398,269	327,800	450,500
Other Events	191,553	221,400	99,300
Total	1,565,731	991,600	1,814,900

Figure II-6A

Summary of Event Mix
Existing and Projected

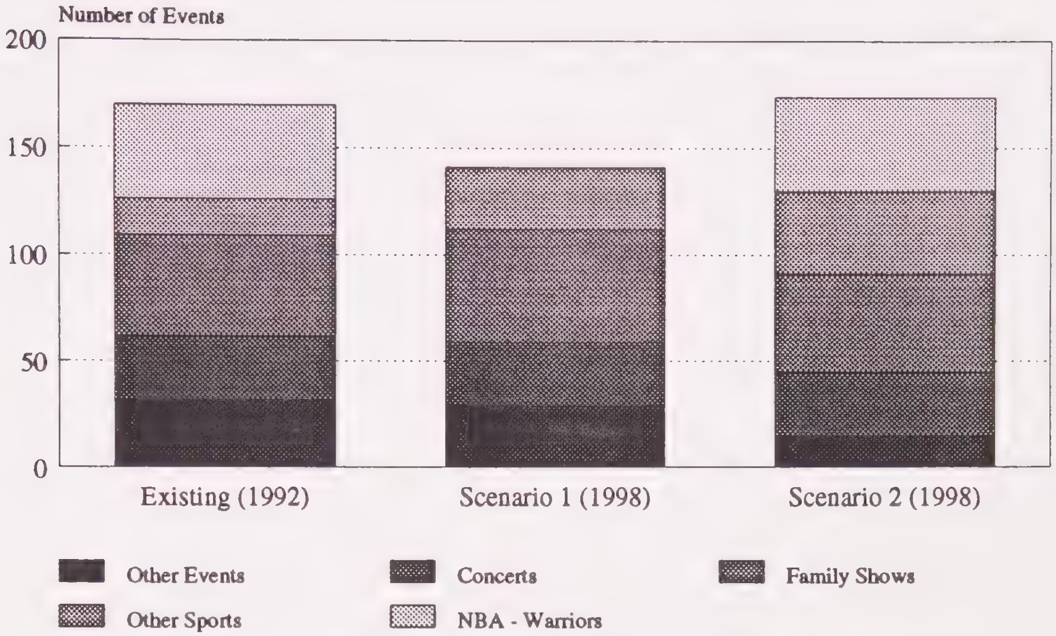
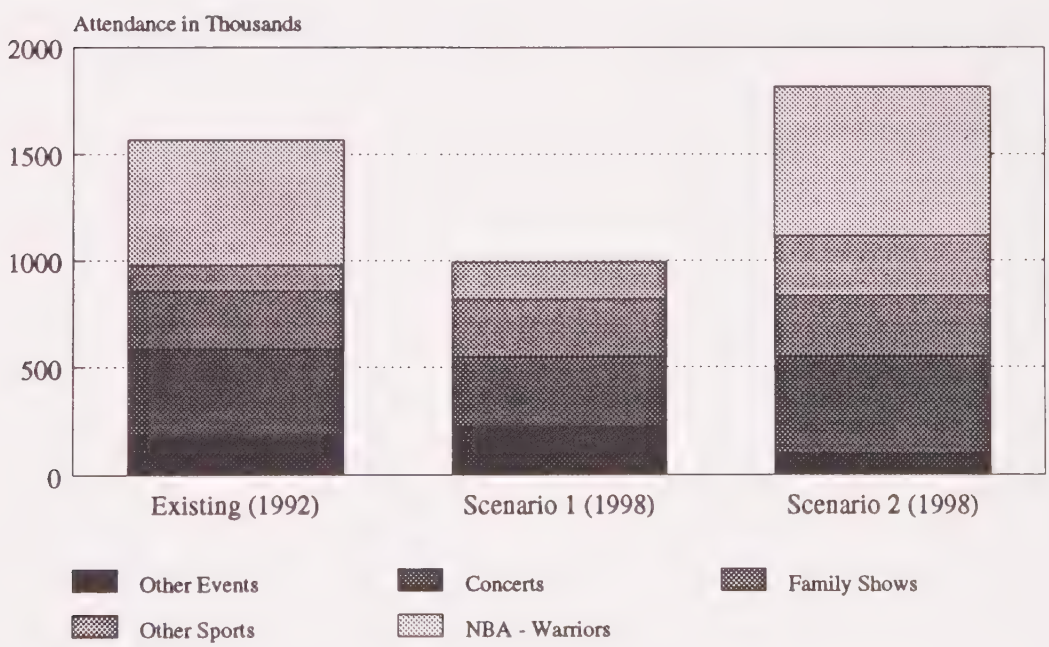


Figure II-6B

Summary of Attendance
Existing and Projected



The increased number of seats will allow for greater attendance at typical sellout events such as Warriors games and major concerts. This fact is reflected in the substantial increases of about 100,000 people for the Warriors season, and it keeps total concert attendance from declining much at all. Overall total attendance will increase from the 1991-92 level by 16% to 1,815,000.

Section III
PROJECTION OF SPENDING IN THE ARENA

In order to estimate the community economic impacts of an arena (e.g., jobs and income created for local residents), it is first necessary to project the gross revenues and other economic flows through the facilities. This Section presents ERA's projections of gross revenues for both the new arena and the existing building.

VALIDATION OF THE REVENUE PROJECTION MODEL (EXISTING CONDITIONS)

The first step in the analysis was to develop a revenue projection model which could explain the relationship between attendance and revenue collection through such sources as ticket sales, arena rentals, concession sales and parking. This model is first presented in Table III-1 with actual data for the most recently completed fiscal year (1991-92). By checking to see that predicted values are very close to the actual revenue collections (shown at the bottom of the table), ERA validated the predictive power of the model. Note that there are two pages to Table III-1.

SCENARIO 1: SPENDING IN THE EXISTING ARENA ("NO BUILD")

The model was then employed to estimate the revenues resulting from operating the existing arena in the future stabilized year (about 1998) in Table III-2. The event mix was projected in Section II of this report, and the attendance estimates in Table III-2 (on page 2 of the table) are consistent with the data presented above in Section II. Ticket pricing for this stabilized year is shown in constant 1992 dollars, and is essentially consistent with today's pricing. Per capita figures for concessions were developed by ERA from analysis of actual collections by event type over the last five years in the existing arena.

Table III-2 presents the scenario of operating the existing arena into the future without the Warriors. After developing the expected attendance and per capita sales factors for this scenario, ERA has then estimated the portions of total patron spending which are

Table: III-1

Projection of Event Revenues For Oakland Coliseum Arena (Status Quo Assumptions)
(In 1992 Dollars)

EVENTS	Number of Times Performed	Average Paid Attend.	Total Paid Attend. (000)	TICKETS Average Ticket Price ($)	Gross Ticket Sales ($000)	Business Tax ($000)	Net Ticket Sales ($000)	Arena Share (%)	Rental Income ($000)
NBA - Warriors						$0			
NBA Regular Season	44	13,511	594	$22.51	$13,382	$89	$13,293	2.7%	$361
NBA Pre-Season	0	0	0	$9.00	$0	$0	$0	2.7%	$0
NBA Playoffs	0	0	0	$0.00	$0	$0	$0	2.7%	$0
Subtotal	44		594	$23.58	$13,382	$89	$13,293		$361
Other Sporting Events									
NHL Exhibition	0	0	0	$20.00	$0	$0	$0	11.3%	$0
Wrestling	4	8,573	34	$12.41	$426	$3	$423	11.9%	$51
Boxing-Closed Circuit	0	0	0	$0.00	$0	$0	$0	0.0%	$0
College Basketball	2	11,209	22	$11.23	$252	$2	$250	25.6%	$64
High School Basketball	4	7,990	32	$7.95	$254	$2	$252	12.1%	$31
Women's Basketball	0	0	0	$0.00	$0	$0	$0	0.0%	$0
Tennis Tournament	7	2,631	18	$18.35	$338	$2	$336	10.0%	$34
Volleyball	0	0	0	$0.00	$0	$0	$0	0.0%	$0
Subtotal	17		107		$1,269	$8	$1,261		$179
Family Shows									
Circus	15	5,118	77	$11.81	$907	$6	$901	9.9%	$90
Ice Capades	9	2,322	21	$11.55	$241	$2	$240	10.0%	$24
Sesame Street Live	9	2,800	25	$8.94	$225	$1	$224	0.3%	$1
Disney On Ice	12	8,897	107	$10.81	$1,154	$8	$1,146	8.6%	$99
Harlem Globetrotters	2	4,226	8	$12.40	$105	$1	$104	10.0%	$10
Other	0	0	0	$8.00	$0	$0	$0	0.0%	$0
Subtotal	47		238		$2,632	$18	$2,615		$225
Concerts									
Major	30	12,920	388	$24.31	$9,422	$63	$9,360	11.8%	$1,112
Minor	0	0	0	$18.50	$0	$0	$0	0.0%	$0
Subtotal	30		388		$9,422	$63	$9,360		$1,112
Other Events									
Thrill/Dirt Shows	8	6,895	55	$11.39	$628	$4	$624	12.2%	$77
Gymnastics/Skating	23	5,568	128	$25.72	$3,294	$22	$3,272	10.1%	$333
Trade Shows	0	0	0	$9.40	$0	$0	$0	12.5%	$0
Community Events	0	0	0	$0.00	$0	$0	$0	12.5%	$0
Miscellaneous	1	5,785	6	$6.64	$38	$0	$38	13.0%	$5
Subtotal	32		189		$3,960	$26	$3,934		$414
TOTAL	170		1,516		$30,666	$204	$30,462		$2,292
ACTUAL FY 1991-92	170		1,516		$30,662				$2,291
%Difference	0%		0%		0%				0%

Source: Alameda-Oakland Coliseum; Economics Research Associates

09/09/93

statsquo.wk1

Table: III-1 Continued

Projection of Event Revenues For Oakland Coliseum Arena (Status Quo Assumptions)

(In 1992 Dollars)

		CONCESSIONS			NOVELTIES			PARKING					TOTAL
EVENTS	Total Turn-stile Attend. (000)	Concession Per Cap. ($)	Arena Share (%)	Concession Income ($000)	Novelties Per Cap. ($)	Arena Share (%)	Novelties Income ($000)	Persons Per Car	Number Of Cars (000)	Price Per Car ($)	Arena Share (%)	Parking Income ($000)	Total Event Income ($000)
NBA - Warriors													
NBA Regular Season	588	$3.12	40%	$734	$1.00	0%	$0	3.8	154	$5.00	97%	$769	$1,864
NBA Pre-Season	0	$3.12	40%	$0	$1.00	0%	$0	3.8	0	$5.00	97%	$0	$0
NBA Playoffs	0	$3.12	40%	$0	$2.00	0%	$0	3.8	0	$5.00	97%	$0	$0
Subtotal	588			$734			$0					$769	$1,864
		Arena's Estimated Share=>		$362 \1				Arena's Estimated Share =>				$430 \1	
Other Sporting Events													
NHL Exhibition	0	$5.00	40%	$0	$0.90	0%	$0	0.0	0	$5.00	97%	$0	$0
Wrestling	36	$3.36	40%	$48	$1.00	0%	$0	4.6	8	$5.00	97%	$39	$138
Boxing-Closed Circuit	0	$3.50	40%	$0	$0.25	0%	$0	0.0	0	$5.00	97%	$0	$0
College Basketball	24	$2.14	40%	$20	$0.25	0%	$0	2.9	8	$5.00	97%	$41	$125
High School Basketba	39	$2.34	40%	$37	$0.20	0%	$0	3.9	10	$5.00	97%	$50	$117
Women's Basketball	0	$2.00	40%	$0	$0.20	0%	$0	0.0	0	$5.00	97%	$0	$0
Tennis Tournament	24	$2.84	40%	$27	$1.00	0%	$0	2.7	9	$5.00	97%	$44	$104
Volleyball	0	$2.50	40%	$0	$0.25	0%	$0	0.0	0	$5.00	97%	$0	$0
Subtotal	122			$132			$0					$173	$485
Family Shows													
Circus	91	$1.86	40%	$68	$0.00	0%	$0	4.8	19	$5.00	97%	$95	$253
Ice Capades	24	$1.73	40%	$17	$0.00	0%	$0	5.4	4	$5.00	97%	$22	$63
Sesame Street Live	27	$1.73	40%	$19	$0.00	0%	$0	4.5	6	$5.00	97%	$30	$50
Disney On Ice	113	$1.50	40%	$68	$0.00	0%	$0	5.1	22	$5.00	97%	$111	$279
Harlem Globetrotters	10	$2.65	40%	$10	$0.00	0%	$0	5.1	2	$5.00	97%	$9	$30
Other	0	$2.00	40%	$0	$0.00	0%	$0	0.0	0	$5.00	97%	$0	$0
Subtotal	265			$181			$0					$268	$674
Concerts													
Major	398	$2.02	40%	$321	$4.50	0%	$0	3.5	113	$5.00	97%	$563	$1,996
Minor	0	$2.00	40%	$0	$4.50	0%	$0	3.0	0	$5.00	97%	$0	$0
Subtotal	398			$321			$0					$563	$1,996
Other Events													
Thrill/Dirt Shows	58	$3.46	40%	$80	$1.00	0%	$0	3.1	19	$5.00	97%	$94	$251
Gymnastics/Skating	128	$1.78	40%	$91	$0.50	0%	$0	4.4	29	$5.00	97%	$145	$569
Trade Shows	0	$2.25	40%	$0	$0.00	0%	$0	3.0	0	$5.00	97%	$0	$0
Community Events	0	$2.25	40%	$0	$0.00	0%	$0	3.0	0	$5.00	97%	$0	$0
Miscellaneous	6	$2.14	40%	$5	$0.25	0%	$0	4.0	1	$5.00	97%	$7	$17
Subtotal	192			$176			$0					$246	$837
TOTAL	1,566			$1,545			$0					$2,020	$5,856
ACTUAL FY 1991-92	1,566			$1,544								$2,020	$5,855
%Difference	0%			0%								0%	0%

\1 Based on agreement between the Warriors and Oakland Arena: for concession commission, the Warriors receive $0.25 per attendance of revenue below $287,672 and 50% of concessions beyond this amount; similarly, the Warriors receive 50% of parking revenues above $90,000.

Source: Alameda-Oakland Coliseum; Economics Research Associates 09/09/93 statsquo.wk1

Table: III-2

Projection of Event Revenues For Existing Oakland Arena During Stabilized Year Under Scenario 1 ("No Build" Scenario)
(In Constant 1992 Dollars)

EVENTS	Number of Times Performed	Average Paid Attend.	Total Paid Attend. (000)	TICKETS Average Ticket Price ($)	Gross Ticket Sales ($000)	Business Tax ($000)	Net Ticket Sales ($000)	Local Impact (%)	Local Impact ($000)
NBA - Warriors						$0			
NBA Regular Season	0	0	0	0	$0	$0	$0	0%	$0
NBA Pre-Season	0	0	0	0	$0	$0	$0	0%	$0
NBA Playoffs	0	0	0	0	$0	$0	$0	0%	$0
Subtotal	0		0	$0.00	$0	$0	$0		$0
Other Sporting Events									
Roller Hockey	7	3,000	21	$10.00	$210	$1	$209	20%	$42
NHL Exhibition	0	9,521	0	$20.00	$0	$0	$0	20%	$0
Wrestling	4	8,529	34	$12.50	$426	$2	$425	20%	$85
Boxing-Closed Circuit	2	5,000	10	$35.00	$350	$2	$348	20%	$70
College Basketball	2	13,468	27	$11.50	$310	$1	$308	20%	$62
High School Basketball	6	7,560	45	$9.00	$408	$2	$406	20%	$82
Women's Basketball	1	3,000	3	$4.00	$12	$0	$12	20%	$2
Tennis Tournament	5	1,221	6	$18.00	$110	$0	$109	20%	$22
Volleyball	2	8,000	16	$8.00	$128	$1	$127	20%	$26
Subtotal	29		163		$1,954	$9	$1,946		$391
Family Shows									
Circus	13	3,523	46	$12.00	$550	$2	$547	20%	$110
Ice Capades	9	2,919	26	$11.50	$302	$1	$301	20%	$60
Sesame Street Live	10	4,172	42	$9.00	$375	$2	$374	20%	$75
Disney On Ice	12	6,800	82	$10.50	$857	$4	$853	20%	$171
Harlem Globetrotters	2	6,612	13	$12.00	$159	$1	$158	20%	$32
Other	7	6,000	42	$8.00	$336	$2	$334	20%	$67
Subtotal	53		251		$2,579	$12	$2,567		$516
Concerts									
Major	20	13,000	260	$24.30	$6,318	$28	$6,290	20%	$1,264
Minor	10	7,000	70	$18.50	$1,295	$6	$1,289	20%	$259
Subtotal	30		330		$7,613	$34	$7,579		$1,523
Other Events									
Thrill/Dirt Shows	3	7,863	24	$13.00	$307	$1	$305	20%	$61
Gymnastics/Skating	3	4,780	14	$20.00	$287	$1	$286	20%	$57
Trade Shows/Consumer Shows	20	8,065	161	$9.00	$1,452	$7	$1,445	20%	$290
Community Events	2	2,000	4	$0.00	$0	$0	$0	20%	$0
Miscellaneous	1	4,614	5	$15.00	$69	$0	$69	20%	$14
Subtotal	29		208		$2,114	$10	$2,105		$423
TOTAL	141		951		$14,260	$64	$14,196		$2,852

Source: Alameda-Oakland Coliseum; Economics Research Associates 09/09/93 directe2.wk1

Table: III-2 Continued

Projection of Event Revenues For Existing Oakland Arena During Stabilized Year Under Scenario 1 ("No Build" Scenario)

(In Constant 1992 Dollars)

EVENTS	Total Turn-stile Attend. (000) \1	CONCESSIONS Concession Per Cap. ($)	Local Impact (%)	Concession Impact ($000)	NOVELTIES Novelties Per Cap. ($)	Local Impact (%)	Novelties Impact ($000)	PARKING Persons Per Car	Number Of Cars	Price Per Car ($)	Local Impact (%)	Parking Impact ($000)	TOTAL Gross Direct Impact ($000)
NBA - Warriors													
NBA Regular Season	0.0	$0.00	0%	$0	$0.00	0%	$0	3.8	0	$0.00	0%	$0	$0
NBA Pre-Season	0.0	$0.00	0%	$0	$0.00	0%	$0	3.8	0	$0.00	0%	$0	$0
NBA Playoffs	0.0	$0.00	0%	$0	$0.00	0%	$0	3.8	0	$0.00	0%	$0	$0
Subtotal	0.0			$0			$0					$0	$0
Other Sporting Events													
Roller Hockey	22.1	$2.25	60%	$30	$0.90	15%	$3	3.5	6	$6.00	100%	$38	$113
NHL Exhibition	0.0	$5.00	60%	$0	$0.90	15%	$0	3.5	0	$6.00	100%	$0	$0
Wrestling	35.8	$3.50	60%	$75	$1.00	15%	$5	3.5	10	$6.00	100%	$61	$227
Boxing-Closed Circuit	10.5	$3.50	60%	$22	$0.25	15%	$0	3.5	3	$6.00	100%	$18	$110
College Basketball	28.3	$2.50	60%	$42	$0.25	15%	$1	3.5	8	$6.00	100%	$48	$154
High School Basketba	47.6	$2.25	60%	$64	$0.20	15%	$1	3.5	14	$6.00	100%	$82	$229
Women's Basketball	3.2	$1.75	60%	$3	$0.20	15%	$0	3.5	1	$6.00	100%	$5	$11
Tennis Tournament	7.9	$3.00	60%	$14	$1.00	15%	$1	3.5	2	$6.00	100%	$14	$51
Volleyball	16.8	$2.50	60%	$25	$0.25	15%	$1	3.5	5	$6.00	100%	$29	$80
Subtotal	172.2			$277			$13					$295	$976
Family Shows													
Circus	51.3	$2.00	60%	$62	$2.00	15%	$15	5.0	10	$6.00	100%	$62	$248
Ice Capades	27.6	$1.75	60%	$29	$2.00	15%	$8	5.0	6	$6.00	100%	$33	$131
Sesame Street Live	46.5	$1.80	60%	$50	$2.00	15%	$14	5.0	9	$6.00	100%	$56	$195
Disney On Ice	86.8	$1.50	60%	$78	$2.00	15%	$26	5.0	17	$6.00	100%	$104	$380
Harlem Globetrotters	13.8	$2.50	60%	$21	$2.00	15%	$4	5.0	3	$6.00	100%	$17	$73
Other	44.1	$2.00	60%	$53	$2.00	15%	$13	5.0	9	$6.00	100%	$53	$186
Subtotal	270.2			$293			$81					$324	$1,214
Concerts													
Major	258.5	$1.75	60%	$271	$4.50	15%	$174	3.5	74	$6.00	100%	$443	$2,153
Minor	69.3	$1.75	60%	$73	$4.50	15%	$47	3.5	20	$6.00	100%	$119	$497
Subtotal	327.8			$344			$221					$562	$2,650
Other Events													
Thrill/Dirt Shows	24.4	$3.25	60%	$48	$1.00	15%	$4	3.5	7	$6.00	100%	$42	$155
Gymnastics/Skating	21.2	$2.25	60%	$29	$0.50	15%	$2	3.5	6	$6.00	100%	$36	$124
Trade Shows	166.8	$2.25	60%	$225	$0.00	15%	$0	3.5	48	$6.00	100%	$286	$802
Community Events	4.2	$2.25	60%	$6	$0.00	15%	$0	3.5	1	$6.00	100%	$7	$13
Miscellaneous	4.7	$2.25	60%	$6	$0.25	15%	$0	3.5	1	$6.00	100%	$8	$29
Subtotal	221.4			$314			$5					$379	$1,121
TOTAL	991.5			$1,227			$321					$1,561	$5,961

\1 Factors used to estimate turnstile attendance based on the difference between paid and actual attendance as reported in Oakland Coliseum Arena Revenue Summary FY 1989-90.

Source: Alameda-Oakland Coliseum; ERA

09/09/93

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most likely to remain in Alameda County. The money which stays in the County is what adds value to the Alameda County economy and creates the gross direct impact. For example, ERA estimates that only 20 percent of ticket sales for events (other than Warriors games) is spent in the county in the form of Coliseum revenue and local spending by promoters on labor, advertising and other production expenses. While all of the money spent on parking is assumed to stay in the County, 60 percent of concession spending, and 15 percent of patron spending on novelties is estimated to remain in the local economy.

SCENARIO 2: SPENDING IN THE NEW ARENA ("BUILD")

In Table III-3 the revenues for the new arena are projected for a stabilized operating year (again assumed to be 1998). Again, the revenue projection model starts with the event mix projections from Section II. This model is analogous to that in Table III-2, except that per capita concession expenditures are projected to be slightly higher in a few cases due to the expanded offering of food and beverage service in the new building.

Similar proportions of patron spending are assumed to remain local, adding value to the Alameda County economy, with one exception. Because the Warriors organization is based in the East Bay (unlike most family show and concert groups), an amount equivalent to half of patron spending on Warriors tickets is assumed to remain in the County.

USE OF SPENDING PROJECTIONS

The revenue projections and gross direct impact estimates made in this Section were necessary to develop the inputs to the community economic impact modeling. Section IV uses these inputs to estimate multiplier impacts throughout the county.

Table: III-3

Projection of Event Revenues For New Oakland Arena During Stabilized Year Under Scenario 2 ("Build" Scenario)

(In 1992 Constant Dollars)

EVENTS	Number of Times Performed	Average Paid Attend. (000)	Total Paid Attend. (000)	Average Suite Attend (000)	Average Comps. Distr. (000)	Average No-Shows (000)	Aver. Turns-tile Attend. (000)	TICKETS Average Ticket Price ($)	Gross Ticket Sale ($000)	Business Tax ($000)	Net Ticket Sale ($000)	Local Impact (%)	Local Impact ($000)
NBA - Warriors										$0			
NBA Regular Season	41	15.5	635.5	1.2	1.5	2.2	16.0	$25.00	$15,888	$71	$15,816	50%	$7,908
NBA Pre-Season	2	13.0	26.0	1.2	1.0	3.0	12.2	$15.00	$390	$2	$388	50%	$194
NBA Playoffs (aver./year)	1	17.3	17.3	1.2	1.5	1.0	19.0	$40.00	$692	$3	$689	50%	$344
Subtotal	44		678.8						$16,970	$76	$16,893		$8,447
Other Sporting Events													
Roller Hockey	7	3	21.0	0	0.6	0.6	3.0	$10.00	$210	$1	$209	20%	$42
NHL Exhibition	1	10.0	10.0	1.2	0.6	0.6	11.2	$20.00	$200	$1	$199	20%	$40
Wrestling	5	8.0	40.0	0.6	0.6	0.5	8.7	$12.50	$500	$2	$498	20%	$100
Boxing-Closed Circuit	0	5.0	0.0	0.6	0.6	0.3	5.9	$35.00	$0	$0	$0	20%	$0
College Basketball	9	10.0	90.0	1.2	0.6	0.6	11.2	$11.50	$1,035	$5	$1,030	20%	$206
High School Basketball	8	5.0	40.0	0.8	0.6	0.3	6.1	$9.00	$360	$2	$358	20%	$72
Women's Basketball	2	3.0	6.0	0.8	0.6	0.2	4.2	$4.00	$24	$0	$24	20%	$5
Tennis Tournament	5	6.0	30.0	0.8	0.6	0.4	7.0	$18.00	$540	$2	$538	20%	$108
Volleyball	2	5.0	10.0	0.6	0.6	0.3	5.9	$8.00	$80	$0	$80	20%	$16
Subtotal	39		247.0						$2,949	$13	$2,936		$587
Family Shows													
Circus	12	6.0	72.0	0.4	0.4	0.3	6.5	$12.00	$864	$4	$860	20%	$172
Ice Capades	8	5.0	40.0	0.5	0.4	0.3	5.6	$11.50	$460	$2	$458	20%	$92
Sesame Street Live	9	6.0	54.0	0.4	0.4	0.3	6.5	$9.00	$486	$2	$484	20%	$97
Disney On Ice	10	8.0	80.0	0.4	0.4	3.4	5.4	$10.50	$840	$4	$836	20%	$167
Harlem Globetrotters	2	8.0	16.0	0.8	0.4	0.5	8.7	$12.00	$192	$1	$191	20%	$38
Other	5	6.0	30.0	0.4	0.4	0.3	6.5	$8.00	$240	$1	$239	20%	$48
Subtotal	46		292.0						$3,082	$14	$3,068		$614
Concerts													
Major	25	16.0	400.0	1.0	0.4	0.9	16.5	$24.30	$9,720	$44	$9,676	20%	$1,935
Minor	5	7.0	35.0	0.6	0.4	0.4	7.6	$18.50	$648	$3	$645	20%	$129
Subtotal	30		435.0						$10,368	$47	$10,321		$2,064
Other Events													
Thrill/Dirt Shows	3	8.0	24.0	0.6	0.3	0.4	8.5	$13.00	$312	$1	$311	20%	$62
Gymnastics/Skating	3	10.0	30.0	1.0	0.6	0.6	11.0	$20.00	$600	$3	$597	20%	$119
Trade Shows/Consumer Sh	3	2.0	6.0	0.0	0.1	0.1	2.0	$4.00	$24	$0	$24	20%	$5
Community Events	2	2.0	4.0	0.0	0.1	0.1	2.0	$0.00	$0	$0	$0	20%	$0
Miscellaneous	4	8.0	32.0	0.0	0.1	0.4	7.7	$15.00	$480	$2	$478	20%	$96
Subtotal	15		96.0						$1,416	$6	$1,410		$282
TOTAL	174		1,749						$34,784	$157	$34,627		$11,993

Source: Oakland-Alameda County Coliseum Complex; Economics Research Associates

09/09/93 directn2.wk1

Table: III-3 Continued

Projection of Event Revenues For New Oakland Arena During Stabilized Year Under Scenario 2 ("Build" Scenario)

(In 1992 Constant Dollars)

		CONCESSIONS			NOVELTIES			PARKING					TOTAL
EVENTS	Total Turnstile Attend. (000)	Concession Per Cap. ($)	Local Impact (%)	Concession Impact ($000)	Novelties Per Cap. ($)	Local Impact (%)	Novelties Impact ($000)	Persons Per Car	Number Of Cars	Price Per Car ($)	Local Impact (%)	Parking Impact ($000)	Gross Direct Impact ($000)
NBA - Warriors													
NBA Regular Season	656.0	$5.50	60%	$2,165	$1.00	15%	$98	3.8	173	$6.00	100%	$1,036	$11,207
NBA Pre-Season	24.4	$5.50	60%	$81	$1.00	15%	$4	3.8	6	$6.00	100%	$39	$317
NBA Playoffs	19.0	$5.50	60%	$63	$2.00	15%	$6	3.8	5	$6.00	100%	$30	$443
Subtotal	699.4			$2,308			$108					$1,104	$11,967
Other Sporting Events													
Roller Hockey	21.0	$2.25	60%	$28	$0.90	15%	$3	3.5	6	$6.00	100%	$36	$109
NHL Exhibition	11.2	$5.25	60%	$35	$0.90	15%	$2	3.5	3	$6.00	100%	$19	$96
Wrestling	43.5	$3.75	60%	$98	$1.00	15%	$7	3.5	12	$6.00	100%	$75	$279
Boxing-Closed Circuit	0.0	$4.25	60%	$0	$0.25	15%	$0	3.5	0	$6.00	100%	$0	$0
College Basketball	100.8	$2.25	60%	$136	$0.25	15%	$4	3.5	29	$6.00	100%	$173	$519
High School Basketba	48.8	$2.25	60%	$66	$0.20	15%	$1	3.5	14	$6.00	100%	$84	$223
Women's Basketball	8.4	$1.75	60%	$9	$0.20	15%	$0	3.5	2	$6.00	100%	$14	$28
Tennis Tournament	35.0	$3.00	60%	$63	$1.00	15%	$5	3.5	10	$6.00	100%	$60	$236
Volleyball	11.8	$2.50	60%	$18	$0.25	15%	$0	3.5	3	$6.00	100%	$20	$54
Subtotal	280.5			$453			$22					$481	$1,543
Family Shows													
Circus	78.0	$2.00	60%	$94	$2.00	15%	$23	5.0	16	$6.00	100%	$94	$383
Ice Capades	44.8	$1.75	60%	$47	$2.00	15%	$13	5.0	9	$6.00	100%	$54	$206
Sesame Street Live	58.5	$1.80	60%	$63	$2.00	15%	$18	5.0	12	$6.00	100%	$70	$248
Disney On Ice	54.0	$1.50	60%	$49	$2.00	15%	$16	5.0	11	$6.00	100%	$65	$297
Harlem Globetrotters	17.4	$2.50	60%	$26	$2.00	15%	$5	5.0	3	$6.00	100%	$21	$90
Other	32.5	$2.00	60%	$39	$2.00	15%	$10	5.0	7	$6.00	100%	$39	$136
Subtotal	285.2			$318			$86					$342	$1,359
Concerts													
Major	412.5	$2.25	60%	$557	$4.50	15%	$278	3.5	118	$6.00	100%	$707	$3,478
Minor	38.0	$2.25	60%	$51	$4.50	15%	$26	3.5	11	$6.00	100%	$65	$271
Subtotal	450.5			$608			$304					$772	$3,749
Other Events													
Thrill/Dirt Shows	25.5	$5.00	60%	$77	$1.00	15%	$4	3.5	7	$6.00	100%	$44	$186
Gymnastics/Skating	33.0	$2.25	60%	$45	$0.50	15%	$2	3.5	9	$6.00	100%	$57	$223
Trade Shows/Consum	6.0	$2.25	60%	$8	$0.00	15%	$0	3.5	2	$6.00	100%	$10	$23
Community Events	4.0	$2.25	60%	$5	$0.00	15%	$0	3.5	1	$6.00	100%	$7	$12
Miscellaneous	30.8	$2.25	60%	$42	$0.25	15%	$1	3.5	9	$6.00	100%	$53	$191
Subtotal	99.3			$176			$7					$170	$636
TOTAL	1,815			$3,863			$527					$2,870	$19,253

Source: Oakland-Alameda County Coliseum Complex; Economics Research Associates

09/09/93 directn2.wk1

Section IV
ASSESSMENT OF COMMUNITY ECONOMIC IMPACTS

From the patronage projections derived from the market research, ERA estimated patron spending and other cash flows through the Coliseum Complex, both with and without a new arena. Based in part upon that internal analysis, this section presents the analysis of economic impacts which are broader than just the flows of money through the Coliseum Complex and the proposed new arena. Economic activity at the Coliseum also benefits the entire community through creation of jobs, additional personal income, and local government revenues. For this analysis, the community of interest is defined as the County of Alameda.

OVERVIEW OF ECONOMIC IMPACT MULTIPLIER MECHANISMS

According to standard regional economic theory, only money flowing into Alameda County from other areas has the capability of expanding the local county economy. For example, a San Mateo family attending a Warriors game in the Oakland Arena brings new money into Alameda County and expands the local economy. A Hayward family attending an ice show, on the other hand, does not expand the local economy but instead only redistributes spending, because their money would most likely have been spent on other entertainment purchases in their local community. For this reason, the origin of each flow of money attracted into the county by arena operations is tracked in this analysis.

Furthermore, a portion of the new money flowing into the county (e.g., for purchase of tickets to arena events) flows immediately back out of the county (e.g., to pay for performers, traveling production crews, out-of-area promoters, etc.). The remaining portion of the new money (e.g., the portion going to arena rent, local advertising, local labor, etc.) adds value to the local economy and is termed a "direct economic impact" which creates a "change in final demand" in the Alameda County economy. This money creates direct employment and income (in the arena itself, for example).

Additional economic impacts are felt through the "multiplier" effects in two distinct ways. First are "indirect" economic impacts generated by industries which are suppliers to the arena and its concessionaires. These businesses and industries which are indirectly

supported by arena activities also employ people in the local area, and generate additional business and sales taxes for local governments. A second type of multiplier effects are the "induced" economic impacts which are created by the employees of the arena and employees of businesses indirectly affected, as these employees spend their paychecks for groceries, transportation, housing and other goods and services in Alameda County. These subsequent rounds of economic activity generate additional income, employment and taxes for local governments. Economic input-output models have been developed to calculate the size of multipliers which can be used to estimate the amounts of indirect, and induced economic activity generated by the initial direct impact.

In this instance, the value to the Alameda County community of building a new arena is less than the total economic impact of the new arena, because the County community already receives much of these same economic benefits from the existing arena, which has served the community as an economic stimulus for over 25 years. On the other hand, if a new arena is not built, the Coliseum Complex will lose its NBA franchise, and Alameda County would then become a net exporter of fans and their spending (including the multiplier impacts of their spending) to professional basketball facilities elsewhere in the Bay Area. ERA's methodology, of calculating the difference between Scenario 1 and Scenario 2, adequately accounts for both the effects of importing more new money into Alameda County and of retaining the money derived from an NBA franchise when assessing the economic impact of building a new arena.

ORIGIN OF SPENDING

To account for the origin of the fan money which supports the Golden State Warriors, ERA analyzed the season ticket purchase pattern for the 1991-1992 season (see Table IV-1). Even though a portion of tickets are purchased by businesses, it is clear that the majority of Warriors patrons come from beyond the Alameda County borders (and season tickets account for the vast majority of available seats). For projection purposes, ERA estimates 70 percent of NBA patron spending originates from outside of Alameda County. Note that in Scenario 1 (No Build) the 30 percent of the impact which originates in Alameda County would be lost, which assumes Alameda fans would be willing to travel to another Bay Area county to see future games.

Table IV-1
BREAKDOWN OF WARRIORS SEASON TICKET PURCHASES
1991-92 Season

Geographical Breakdown

Oakland	11.1%
Alameda County (excl. Oakland)	18.7%
Alameda County Total	**29.8%**
San Francisco	17.7%
Contra Costa County	16.8%
Napa, Solano, Sonoma Counties	4.9%
Marin County	3.8%
North Bay - East Bay Total (incl. Alameda County)	73.0%
Santa Clara County	13.1%
San Mateo County	8.9%
Santa Cruz, Monterey Counties	0.8%
Peninsula - South Bay Total	22.8%
Other California	3.2%
Out of State	0.6%
Other Total	3.8%
	100.0%

Buyer Breakdown

Purchased by businesses:	35%
Purchased by individuals:	65%
	100.0%

Source: Golden State Warriors.

Data indicating the origins of patrons for a representative cross section of other recent arena events are arrayed across the four pages of Table IV-2. Pages 1 and 2 present concerts, page 3 analyzes family shows and page 4 examines a mixture of other events. Only a minor share of concert tickets are sold at the Coliseum Box Office, but the majority of tickets to family shows and most other events are purchased on site. For the tickets purchased at remote outlets, the top half of Table IV-2 presents the geographic distribution of ticket sales around Northern California. Assuming the majority of ticket purchases made at the Coliseum Box Office are by Alameda County residents, ERA estimates that only 25 percent of major concert patrons are local today, but that 70 percent of the attendance at family shows and other miscellaneous events is from the local Alameda County market.

ESTIMATION OF DIRECT ECONOMIC IMPACTS

The full spending patterns at arena events from Table III-2 were adjusted by ERA in Table IV-3 to account for the origin of the patrons to arrive at estimates of the direct impact (or "change in final demand") used to drive the economic multiplier model. As discussed above, the adjustment for family shows and most other events acknowledges that only 30 percent of the total spending is actually new money to Alameda County (i.e., derived from visitors from outside the county). For the NBA franchise, however, the adjustment factor is <u>negative</u> 30 percent to account for the outflow of Alameda County residents to another Bay Area county to attend professional basketball games.

SCENARIO 1: COMMUNITY ECONOMIC IMPACTS

The local share of the revenues, adjusted in Table IV-3 to reflect the direct economic impacts of arena operations, then became the input to the regional economic impact model developed by ERA as presented in Table IV-4. The model is run in constant 1992 dollars for a stable year of operations (first likely to occur in about 1998). In addition to arena related revenues (or loses relative to today's level of business in the arena), a line item for advertising revenues generated by the presence of an NBA team was included, but was shown as an outflow from Alameda County due to the loss of an NBA franchise in Scenario 1. Another line item was added which captured the spending by

Table IV-2
GEOGRAPHICAL DISTRIBUTION OF TICKET BUYERS
Selected Oakland Arena Events

	CONCERTS					
Distribution of Outlet Sales - Location of Purchase /1	**7/22/92 Garth Brooks**	**10/2-5/92 Neil Diamond**	**10/8/92 Ozzy Osbourne**	**4/18/92 U2**	**10/30/92 Elton John**	**10/31/92 Jerry Garcia**
San Francisco	7.7%	7.3%	5.3%	11.2%	9.0%	17.3%
Mid-Peninsula	11.9%	10.9%	9.1%	14.9%	12.2%	10.5%
South Bay	15.9%	24.1%	22.4%	17.9%	21.1%	7.5%
Contra Costa	10.3%	20.1%	12.9%	11.6%	16.2%	7.6%
East Bay	12.9%	12.7%	12.6%	13.0%	10.5%	12.5%
North Bay	10.0%	12.4%	17.9%	10.7%	11.0%	11.2%
South	5.5%	4.5%	8.9%	5.7%	4.4%	11.1%
Central Valley	4.3%	4.5%	5.9%	6.9%	4.4%	4.3%
Sacramento Area	21.5%	2.2%	4.9%	4.0%	9.7%	17.6%
Other	0.0%	1.3%	0.1%	4.2%	1.6%	0.3%
Facility Where Sold:						
Outlet	84.1%	51.7%	80.7%	69.4%	68.0%	61.5%
Phone order	6.5%	29.4%	6.6%	10.0%	18.4%	35.0%
Coliseum Box Office	9.4%	18.9%	12.7%	20.7%	13.6%	3.5%
Total Sales	14,942	61,787	10,302	14,628	15,423	15,542

1) Mid-Peninsula: South San Francisco to Mountain View. South Bay: Sunnyvale and Fremont to San Jose. Contra Costa: Concord - Antioch - Livermore - Dublin. East Bay: Richmond to Hayward. North Bay: Marin, Sonoma, Napa, and Solano counties. South: Santa Cruz - Monterey - Salinas.

Source: Oakland Coliseum.

Table IV-2 Continued

GEOGRAPHICAL DISTRIBUTION OF TICKET BUYERS

Selected Oakland Arena Events

	CONCERTS						
Distribution of Outlet Sales - Location of Purchase /1	**11/7/92 U2**	**11/1/91 Reba McIntire Concert**	**9/26/91 Def Leppard**	**1/13/91 Paul Simon**	**11/5/90 Judas Priest**	**12/3-4/90 Grateful Dead**	**Avg. For Concerts**
San Francisco	12.7%	4.1%	6.1%	15.6%	8.5%	19.5%	10.4%
Mid-Peninsula	12.9%	6.2%	10.5%	14.5%	8.6%	11.6%	11.2%
South Bay	17.7%	27.2%	31.2%	13.7%	23.2%	9.5%	19.3%
Contra Costa	9.9%	18.6%	13.5%	12.4%	17.7%	6.9%	13.1%
East Bay	12.6%	15.1%	10.5%	16.6%	17.1%	16.6%	13.6%
North Bay	10.9%	12.4%	14.8%	10.8%	14.1%	11.3%	12.3%
South	4.9%	4.2%	7.1%	6.6%	7.2%	9.4%	6.6%
Central Valley	4.8%	6.2%	4.1%	3.0%	2.7%	3.4%	4.5%
Sacramento Area	13.1%	5.7%	1.7%	4.9%	0.8%	11.8%	8.2%
Other	0.5%	0.3%	0.4%	--	1.1%	0.1%	0.8%
Facility Where Sold:							
Outlet	71.1%	44.1%	70.5%	31.0%	83.5%	93.3%	67.4%
Phone order	18.1%	20.3%	21.7%	53.0%	4.5%	0.0%	18.6%
Coliseum Box Office	10.7%	35.7%	7.7%	16.0%	12.0%	6.7%	14.0%
Total Sales	59,800	11,596	15,500	14,344	12,255	30,972	

1) Mid-Peninsula: South San Francisco to Mountain View. South Bay: Sunnyvale and Fremont to San Jose. Contra Costa: Concord - Antioch - Livermore - Dublin. East Bay: Richmond to Hayward. North Bay: Marin, Sonoma, Napa, and Solano counties. South: Santa Cruz - Monterey - Salinas.

Source: Oakland Coliseum.

Table IV-2 Continued

GEOGRAPHICAL DISTRIBUTION OF TICKET BUYERS
Selected Oakland Arena Events

	FAMILY SHOWS						
Distribution of Outlet Sales - Location of Purchase /1	**2/4-10/92 Disney On Ice**	**8/20-27/91 R.B./B.B. Circus**	**6/6/90 Sesame Street Live**	**12/1/90 Ice Capades**	**11/27 &12/2/90 Ice Capades**	**8/27/90 R.B./B.B. Circus**	**Avg. for Family Shows**
San Francisco	3.4%	7.2%	6.0%	6.1%	8.4%	5.7%	6.1%
Mid-Peninsula	3.9%	5.3%	5.9%	18.9%	8.1%	2.3%	7.4%
South Bay	24.6%	21.4%	18.5%	23.3%	19.8%	12.3%	20.0%
Contra Costa	24.1%	22.3%	23.3%	22.9%	22.7%	25.7%	23.5%
East Bay	26.2%	31.3%	33.9%	19.1%	23.0%	44.3%	29.6%
North Bay	13.0%	10.1%	7.8%	10.7%	11.5%	8.7%	10.3%
South	3.1%	1.0%	2.0%	6.3%	3.5%	0.4%	2.7%
Central Valley	1.1%	0.9%	2.0%	3.0%	1.7%	0.5%	1.5%
Sacramento Area	0.2%	0.3%	0.3%	0.9%	0.4%	0.0%	0.4%
Other	0.2%	0.3%	--	--	0.8%	--	0.2%
Facility Where Sold:							
Outlet	32.3%	25.2%	30.0%	34.0%	19.2%	16.0%	26.1%
Phone order	15.7%	11.5%	12.0%	9.0%	6.9%	4.0%	9.9%
Coliseum Box Office	52.0%	63.2%	59.0%	58.0%	73.9%	80.0%	64.4%
Total Sales	117,183	95,578	4,190	2,610	33,804	4,886	

1) Mid-Peninsula: South San Francisco to Mountain View. South Bay: Sunnyvale and Fremont to San Jose. Contra Costa: Concord - Antioch - Livermore - Dublin. East Bay: Richmond to Hayward. North Bay: Marin, Sonoma, Napa, and Solano counties. South: Santa Cruz - Monterey - Salinas.

Source: Oakland Coliseum.

Table IV-2 Continued

GEOGRAPHICAL DISTRIBUTION OF TICKET BUYERS

Selected Oakland Arena Events

Distribution of Outlet Sales - Location of Purchase /1	OTHER EVENTS			SPORTS				
	10/27/92 Gymnastics	1/5/91 Mud and Monster Truck Racing	Avg. for Other Events	11/2-8/92 Tennis	3/25-29/92 WF Skating	6/16/91 WWF Wrestling	10/29 & 11/4/90 Virginia Slims	Avg. for Sports
San Francisco	16.9%	3.8%	10.3%	18.8%	18.3%	8.5%	18.0%	15.9%
Mid-Peninsula	15.1%	8.2%	11.7%	9.3%	10.3%	7.1%	10.0%	9.2%
South Bay	17.5%	27.4%	22.5%	17.1%	14.7%	26.6%	15.5%	18.5%
Contra Costa	17.0%	19.3%	18.1%	14.1%	14.1%	11.3%	15.6%	13.8%
East Bay	13.5%	23.4%	18.4%	14.8%	22.3%	28.7%	19.7%	21.4%
North Bay	16.2%	14.4%	15.3%	11.9%	8.3%	10.7%	9.9%	10.2%
South	0.9%	1.4%	1.2%	3.6%	3.0%	5.5%	3.1%	3.8%
Central Valley	1.7%	0.9%	1.3%	3.9%	2.7%	0.5%	2.6%	2.4%
Sacramento Area	1.0%	0.3%	0.7%	6.1%	4.7%	0.2%	5.3%	4.1%
Other	0.1%	--	0.1%	0.3%	1.4%	0.8%	0.2%	0.7%
Facility Where Sold:								
Outlet	33.1%	50.0%	41.5%	10.7%	38.4%	39.1%	9.6%	24.4%
Phone order	21.1%	4.0%	12.6%	6.4%	37.9%	6.7%	3.9%	13.7%
Coliseum Box Office	45.8%	46.0%	45.9%	82.9%	23.7%	54.2%	86.5%	61.8%
Total Sales	6,796	10,982		23,538	21,718	7,531	33,690	

1) Mid-Peninsula: South San Francisco to Mountain View. South Bay: Sunnyvale and Fremont to San Jose. Contra Costa: Concord - Antioch - Livermore - Dublin. East Bay: Richmond to Hayward. North Bay: Marin, Sonoma, Napa, and Solano counties. South: Santa Cruz - Monterey - Salinas.

Source: Oakland Coliseum.

Table IV-3
Alameda County Share of Changes in Final Demand Under Scenario 1 ("No Build" Scenario)
From Existing Arena (In Constant 1992 Thousand Dollars)

Source of Impact	Total % Local % /1	Business Tax	Net Ticket Sales	Food & Beverage	Novelties	Parking	Total
Warriors	100%	$89	$6,647	$1,101	$88	$951	$8,876
Alameda County	-30%	($27)	($1,994)	($330)	($26)	($285)	($2,663)
Other Sports	100%	$9	$391	$277	$13	$295	$985
Alameda County	30%	$3	$117	$83	$4	$89	$295
Family Shows	100%	$12	$516	$293	$81	$324	$1,225
Alameda County	30%	$3	$155	$88	$24	$97	$368
Concerts	100%	$34	$1,523	$344	$221	$562	$2,684
Alameda County	75%	$26	$1,142	$258	$166	$421	$2,013
Other Events	100%	$10	$423	$314	$5	$379	$1,131
Alameda County	30%	$3	$127	$94	$2	$114	$339
INFLOW FROM (TO) OTHER COUNTIES		$8	($453)	$193	$169	$436	$353
ECONOMIC SECTOR SUPPORTED		Government	Amusement & Rec.	Retail Trade	Retail Trade	Amusement & Rec.	

/1 People attending events from outside Alameda county (or for Warriors, including Alameda County Residents who would leave to attend NBA games elsewhere in the Bay Area).

Source: Economics Research Associates directe2.wk1 09/09/93

Table: IV-4

Analysis of Local Output, Income, and Employment Impacts During Stabilized Year of Operation

Existing Oakland Arena Under Scenario 1 ("No Build" Scenario)

(In Constant 1992 Dollars)

ASSUMPTIONS: Changes in Final Demand	Amount ($000)	Affected Industries or Economic Sectors
Business Tax	$8	Government
Local Share of Net Ticket Sales	($453)	Amusement & Recreation
Parking	$436	Amusement & Recreation
Advertising Revenues	($1,000)	Business & Professional Services
Food & Beverage Concessions	$193	Retail Trade
Novelties Concessions	$169	Retail Trade
Visitor Expenditures \1	$90	Hotel & Lodging Places; Retail Trade
Construction (Short-Term)	$0	Construction (Non-Residential)

MULTIPLIERS \2	Output Multiplier	Personal Income Multiplier		Employment Multiplier (per $1000)\2	
Economic Sector	9-County Bay Area	Direct	(Type I)	Direct	(Type I)
Amusement & Recreation	1.78	0.3580	2.06	0.0222	1.40
Business & Professional Services	1.54	0.5320	1.52	0.0113	1.47
Hotel & Lodging Places	1.67	0.4330	1.67	0.0240	1.25
Government	1.24	0.6380	1.16	0.0175	1.14
Retail Trade	1.20	0.6130	1.16	0.0254	1.07
Construction (Non-Residential)	1.70	0.3560	1.87	0.0281	1.25

SOURCES OF IMPACT Economic Sector	Output or Sales Impact in Alameda County ($000) \3	Personal Income Impact in Alameda County ($000)	Employment Impact in Alameda County \4
Amusement & Recreation	($22)	($13)	(0)
Business & Professional Services	($1,376)	($809)	(13)
Hotel & Lodging Places	$112	$33	1
Government	$11	$6	0
Retail Trade	$563	$289	9
TOTAL Permanent Impact (per year)	($712)	($493)	(4)
Construction - Temporary Impact	$0	$0	0

NOTES:

\1 Spending by visiting concert crews and basketball teams, assuming 20 people from each group with an average of 2- and 1-day stays, respectively:

(in 1992 dollars)	# Event Days	Lodging/Night	Food & Bev/Day	Miscellaneous	Total Expenditures
Visiting Team/Media Expenditures	0	$60	$40	$100	$0
Visiting Concert Crew Expenditures	30	$40	$20	$15	$90,000
Total Annual Visitor Spending /Avg.Spending					$90,000

Estimates based on Golden State Warrior's road trip expenses from 1/14/90 to 1/20/91 and on information provided by hotel sales staff.

\2 Multipliers are based on ABAG's 1987 multipliers for the Bay Area. Type I multipliers, which estimate direct and indirect impacts were applied instead of Type II multipliers, which include induced impact, to adjust the model from a region-wide to one county basis. This is a standard method of adjustment which assumes an "open" Alameda County economy with leakages of income into other Bay Area counties.

\3 ERA estimates that Alameda County captures 80% of the additional output impact.

\4 To calculate employment impact, changes in final demand were converted to 1987 dollars since ABAG Input-Output model was based on 1987 dollars.

SOURCES: As noted; Association of Bay Area Governments' "1987 Input-Output Model and Economic Multipliers for the San Francisco Region"; U.S. Dept. of Labor, Bureau of Labor Statistics; Economics Research Associates impact5.wk1 09/09/93

visitors brought into the county to serve arena events. A line item for construction spending was also added, but was shown as zero in this No Build Scenario.

Multipliers presented in the middle portion of Table IV-3 are from the system maintained by the Association of Bay Area Governments (ABAG) as updated in September 1991. "Type I" multipliers are used which approximate the magnitude of impacts felt in a single county by quantifying the direct and indirect effects of a change in final demand. (Type II multipliers also include the induced effects and are more appropriate for estimating the total impact within the nine-county Bay Area region). Multipliers vary by the sector of the economy affected, but range from 1.20 to 1.78.

The bottom portion of Table IV-4 presents the estimates of the total economic impacts of operating the existing arena building in the future (around 1998) as compared to today, with a mix of future event business that includes competition from a major arena open in San Jose in 1993. The measures of economic impact which will be compared with those of Scenario 2 include the loss of economic output in Alameda County, incremental reductions in personal income, and the smaller number of jobs supported (directly and indirectly) by arena operations.

SCENARIO 2: COMMUNITY ECONOMIC IMPACTS

Table IV-5 presents an analysis for the proposed new arena which was similar to that described Table IV-3 for Scenario 1. The Golden State Warriors franchise was assumed to be retained in the Build Scenario, and 70 percent of the patrons were estimated to be flowing into Alameda County from elsewhere to attend games as they do today. The capture of the major arena concert market was shown as importing 75 percent of patrons from outside the county, as the existing arena does today.

The community economic impacts of the Build Scenario are presented in Table IV-6. Again the primary measures are gross output in the county economy, personal income and employment. Significant construction impacts which would also be felt in the county due to the development of the arena.

Table IV-5

Alameda County Share of Changes in Final Demand Under Scenario 2 ("Build" Scenario)

From New Arena (In Constant 1992 Thousand Dollars)

Source of Impact	Total % % Local /1	Business Tax	Net Ticket Sales	Food & Beverage	Novelties	Parking	Total
Warriors	100%	$76	$8,447	$2,308	$108	$1,104	12,043
Alameda County	70%	53	5,913	1,616	75	773	8,430
Other Sports	100%	13	587	453	22	481	1,556
Alameda County	30%	4	176	136	7	144	467
Family Shows	100%	14	614	318	86	342	1,373
Alameda County	30%	4	184	95	26	103	412
Concerts	100%	47	2,064	608	304	772	3,795
Alameda County	75%	35	1,548	456	228	579	2,847
Other Events	100%	6	282	176	7	170	642
Alameda County	30%	2	85	53	2	51	193
INFLOW FROM (TO) OTHER COUNTIES		$98	$7,906	$2,356	$338	$1,650	$12,348
ECONOMIC SECTOR SUPPORTED		Government	Amsmnt & Rec.	Retail Trade	Retail Trade	Amsmnt & Rec.	

/1 People attending events from outside Alameda county (or for Warriors, including Alameda County residents who would leave to attend NBA games elsewhere in the Bay Area).

Source: Economics Research Associates directn2.wk1

Table: IV-6

Analysis of Local Output, Income, and Employment Impacts During Stabilized Year of Operation

New and Existing Oakland Arena Under Scenario 2 ("Build" Scenario)

(In Constant 1992 Dollars)

ASSUMPTIONS: Changes in Final Demand	Amount ($000)	Affected Industries or Economic Sectors
Business Tax	$98	Government
Local Share of Net Ticket Sales	$7,906	Amusement & Recreation
Parking	$1,650	Amusement & Recreation
Advertising Revenues	$1,250	Business & Professional Services
Food & Beverage Concessions	$2,356	Retail Trade
Novelties Concessions	$338	Retail Trade
Visitor Expenditures \1	$421	Hotel & Lodging Places; Retail Trade
Construction (Short-Term)	$100,000	Construction (Non-Residential)

MULTIPLIERS \2	Output Multiplier	Personal Income Multiplier		Employment Multiplier (per $1000)\2	
Economic Sector	Nine-County Bay Ar	Direct	(Type I)	Direct	(Type I)
Amusement & Recreation	1.78	0.3580	2.06	0.0222	1.40
Business & Professional Services	1.54	0.5320	1.52	0.0113	1.47
Hotel & Lodging Places	1.67	0.4330	1.67	0.0240	1.25
Government	1.24	0.6380	1.16	0.0175	1.14
Retail Trade	1.20	0.6130	1.16	0.0254	1.07
Construction (Non-Residential)	1.70	0.3560	1.87	0.0281	1.25

SOURCES OF IMPACT Economic Sector	Output or Sales Impact in Alameda County ($000) \3	Personal Income Impact in Alameda County ($000)	Employment Impact Alameda County \4
Amusement & Recreation	$12,232	$7,047	240
Business & Professional Services	$1,720	$1,011	17
Hotel & Lodging Places	$524	$152	5
Government	$136	$73	2
Retail Trade	$3,905	$2,065	64
TOTAL Permanent Impact (per year`	$18,516	$10,348	327
Construction - Temporary Impact	$141,600	$66,572	2,839

NOTES:

\1 Spending by visiting concert crews and basketball teams, assuming 20 people from each group with an average of 2- and 1-day stays, respectivel

(in 1992 dollars)	# Event Days	Lodging/Night	Food & Bev/Day	Miscellaneous	Total Expenditures
Visiting Team/Media Expenditures	43	$60	$40	$100	$172,000
Visiting Concert Crew Expenditures	83	$40	$20	$15	$249,000
Total Annual Visitor Spending /Avg.Spending					$421,000

Estimates based on Golden State Warrior's road trip expenses from 1/14/90 to 1/20/91 and on information provided by hotel sales staff.

\2 Multipliers are based on ABAG's 1987 multipliers for the Bay Area. Type I multipliers, which estimate direct and indirect impacts were applied instead of Type II multipliers, which include induced impact, to adjust the model from a region-wide to one county basis. This is a standard method of adjustment which assumes an "open" Alameda County economy with leakages of income into other Bay Area counties.

\3 ERA estimates that Alameda County captures only 80% of the additional output impact.

\4 To calculate employment impact, changes in final demand were converted to 1987 dollars since ABAG Input-Output model was based on 1987 dollars.

SOURCES: As noted; Association of Bay Area Governments' "1987 Input-Output Model and Economic Multipliers for the San Francisco Region"; U.S. Dept. of Labor, Bureau of Labor Statistics; Economics Research Associates impact6.wk1 09/09/93

NET ECONOMIC IMPACTS OF A NEW ARENA AT THE COLISEUM

The net community economic benefits to be gained from building a major new arena in the Coliseum Complex are estimated by the difference between Scenario 2 and Scenario 1 as calculated in the last column of Table IV-7. The net effects are shown graphically in Figure IV-1, and may be summarized as the following net increases:

One-Time Economic Benefits During Construction

- $142 million in increased county gross output;
- $67 million in additional personal income for county residents; and
- 2,800 full-time equivalent construction jobs.

Ongoing Economic Benefits of New Arena Operations

- $19.2 million per year in increased county gross output;
- $10.8 million per year in additional personal income for county residents; and
- 331 full-time equivalent jobs on a permanent basis.

QUALITY OF LIFE CONSIDERATIONS

In addition to the dollar impacts which may be quantified with relative ease, there are also more qualitative impacts of the arena development decision. ERA's market research clearly indicates that without a new arena, Alameda County will lose its NBA franchise, and would be unlikely to attract another one. The availability of major entertainment and professional sports enhances the quality of life for the residents of Alameda County and the City of Oakland in ways which are hard to quantify in the economic calculus, but these benefits of building a new arena are nonetheless real. In addition, surveys of businesses have shown repeatedly that quality of life concerns are important in making business location decisions. While the economic effect is difficult to quantify, it is reasonable to expect that the presence of professional sports and major entertainment will enhance the ability of Oakland and Alameda County to attract and retain major employers.

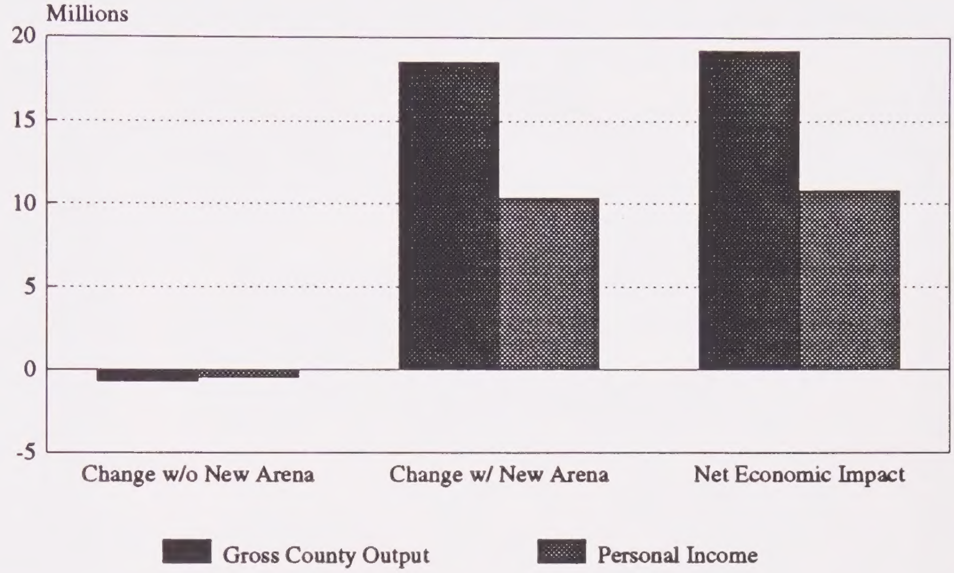
Table IV-7
SUMMARY OF ONGOING ECONOMIC IMPACTS
Annual Impacts for a Stabilized Operating Year
(Constant 1992 Dollars)

Impacts in Alameda County compared to today	Scenario 1 "No Build"	Scenario 2 "Build"	Total Economic Impact of New Arena
Gross County Economic Output (000's)	($712)	$18,516	$19,228
Personal Income (000's)	($493)	$10,348	$10,841
Permanent Jobs (full-time equivalents)	(4)	327	331

Source: Economics Research Associates.

Figure IV-1

Summary of Ongoing Economic Impacts
Change in County Output &Personal Income



Summary of Ongoing Economic Impacts
Permanent Job Creation in the County